



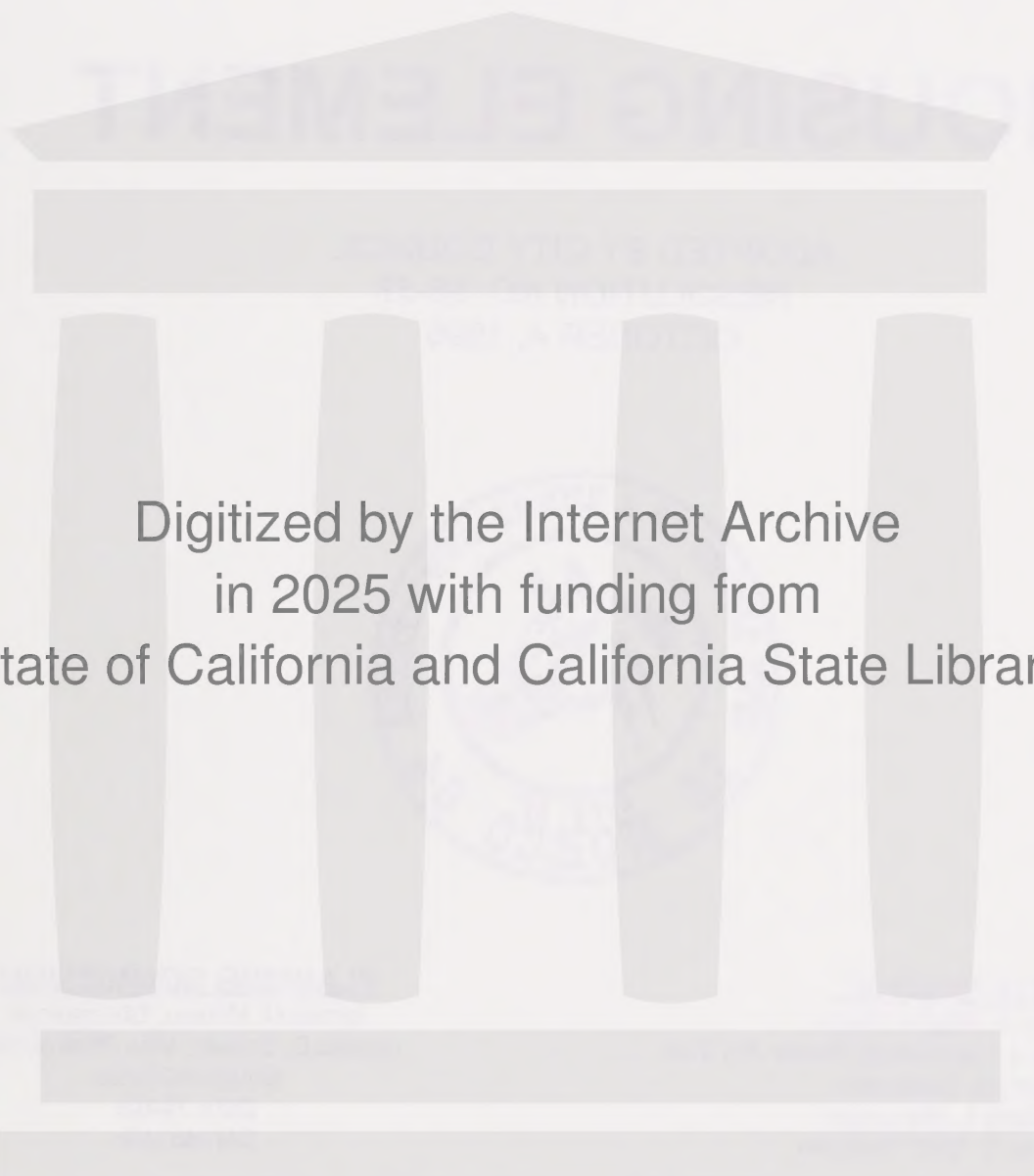
CITY OF NORCO

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UNIVERSITY OF CALIFORNIA

1995
GENERAL PLAN HOUSING ELEMENT



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RESOLUTION 95-57

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF NORCO, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT 95-01(A), CITY OF NORCO HOUSING ELEMENT.

WHEREAS, the draft Housing Element has been duly submitted to said City's Planning Commission for decision at a public hearing for which proper notice was given; and

WHEREAS, at the time and place set, to wit; June 28, 1995, on or about 7:30 P.M. in the Council Chambers of the City of Norco City Hall, 2820 Clark Avenue, Norco, California, said Commission did hold said public hearing and did receive oral and written testimony pertaining to said application; and

WHEREAS, based on findings of fact, said Commission did adopt Planning Commission Resolution 95-06 recommending to the City Council of the aforesaid City that the draft Housing Element be approved; and

WHEREAS, said recommendation was forwarded to said City Council for consideration at a duly noticed public hearing, to wit, July 19, 1995, on or about 7:00 P.M. in the Council Chambers of the Norco City Hall, 2820 Clark Avenue, Norco, California; and

WHEREAS, at the time and place City Council did continue the public hearing to allow for consideration of comments received from the Department of Housing and Community Development and to send document back to the Planning Commission for revision; and

WHEREAS, at the time and place set, to wit; September 13, 1995, on or about 7:30 P.M., Commission did hold said public hearing and did receive oral and written testimony pertaining to said document; and

WHEREAS, based on findings of fact, said Commission did adopt Planning Commission Resolution 95-10 recommending to the City Council of the aforesaid City that the draft Housing Element be approved; and

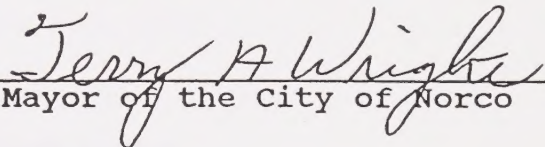
WHEREAS, said recommendation was forwarded to said City Council for consideration at a duly noticed public hearing, to wit, October 4, 1995, on or about 7:00 P.M. in the Council Chambers of the Norco City Hall, 2820 Clark Avenue, Norco, California; and

WHEREAS, at the time and place, the City Council did hold said public hearing and did receive oral and written testimony pertaining to the Housing Element.

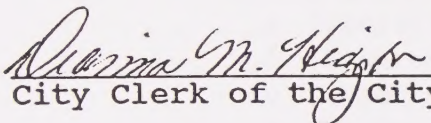
WHEREAS, the City of Norco has been determined to be the Lead Agency and has determined the proposal would not have a significant adverse effect on the environment and has therefore adopted a Negative Declaration.

NOW, THEREFORE, the City Council for the City of Norco does hereby approve General Plan Amendment 95-01(A) revising the Housing Element of the Norco General Plan.

PASSED AND ADOPTED by the City Council of the City of Norco at a regular meeting held October 4, 1995.


Mayor of the City of Norco

ATTEST:


City Clerk of the City of Norco

I, DIANNA M. HIGDON, City Clerk of the City of Norco, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Norco, California, at a regular meeting thereof held on the 4th day of October, 1995 by the following vote of the City Council to-wit:

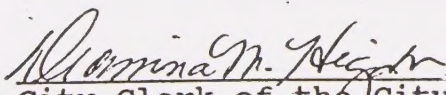
AYES: CARMICHAEL, CUSIMANO, MACGREGOR, VAUGHAN, WRIGHT

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California, this 4th day of October, 1995.


City Clerk of the City of
Norco, California

CITY OF NORCO HOUSING ELEMENT

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1.0 INTRODUCTION

1.1 Purpose

The purpose of the Housing Element is to inventory the existing condition of the City's housing stock and identify where the City needs to improve its programs to provide adequate housing opportunities for all segments of the community. The Housing Element is also a tool that guides the City towards compliance with state housing goals and requirements.

The state has recognized that each locality is best capable of determining its own direction towards providing adequate housing; and that in carrying out this responsibility each jurisdiction must consider economic, environmental, and fiscal factors, and must comply with the community goals set forth in the General Plan. Each jurisdiction also needs to cooperate with other local governments in addressing housing needs on a regional basis. The Southern California Association of Governments (SCAG) has determined the regional housing needs and has disaggregated this number to each city in the Southern California region based on that city's existing supply of affordable units as compared to its population. These disaggregated statistics are contained in the 1988 Regional Housing Needs Assessment (RHNA). These statistics have not been updated, and it is unclear as to whether it will be SCAG or the Western Riverside Council of Governments that will be responsible for updating them. The goals and policies of the Norco General Plan Housing Element are based on the statistics in the 1988 RHNA.

1.2 Background

The state legislature has found and declared that housing is of vital statewide importance and has set as a goal of highest priority, the early attainment of decent housing and a suitable living environment for every California family. As such, each city is required to include as part of its general plan a housing element to guide government and private sector development in the expansion of housing opportunities and the accommodation of the housing needs of citizens at all economic levels. The housing element is one of several required elements in the General Plan that also includes the circulation, land use, open space, conservation, noise, and safety elements. Since the elements are interrelated and often overlap functionally, it is important that they be consistent toward implementing the goals and objectives of the community.

Article 10.6 of the State Government Code identifies the issues that need to be addressed in the housing element. The Norco Housing Element is based on those statutes. It is required that the element be updated every five years at which time the programs are to be analyzed for their effectiveness in attaining the City's housing goals and objectives. The Norco Housing Element was last updated in 1989. State Government Code Section 65588e requires that the



revision dates for housing elements of member jurisdictions in the Southern California Association of Governments be revised on the following schedule:

3rd Revision:	June 30, 1996
4th Revision:	June 30, 2000

The 1995 Norco Housing Element Update is being written so as to cover the remaining year in the current planning period (through June 30, 1996) along with the next planning period.

1.3 Requirements

The housing element is the only General Plan element that is subject to review by a state agency. The State Department of Housing and Community Development (HCD) is authorized to review and comment on a City's housing element and can make recommendations to changes they feel would make the document consistent with state law. There is no final authority by HCD to approve or deny a city's housing element, however, 'non-acceptance' of the document because it is deemed incomplete, could jeopardize the city's ability to obtain future state housing funds. State housing funds have previously been limited because of budget constraints, however, a compliant housing element will help insure that the city receives its share of any future housing funds. The 1989 Housing Element Update was not 'accepted' by HCD. The reasons are outlined in a letter that is included in Appendix 'A'. The recommended changes have been incorporated appropriately in the 1995 update.

In addition to the potential of losing housing funds, it is important that the City have a valid housing element because there are certain circumstances where a proposed housing development could override zoning restrictions, as they relate to the residential density permitted.

1.4 Public Involvement

The Draft Housing Element was reviewed section by section by the Planning Commission through a series of regularly scheduled public meetings beginning in March 1995, and ending in May 1995 before being submitted to the State Department of Housing and Community Development (HCD). In addition, the draft document was circulated to the appropriate in-house departments and outside agencies involved in the development of housing in the Norco-Corona area.

Concurrent with the review by HCD, the draft document was scheduled for a public hearing by the Planning Commission. After the review by HCD, the Final Draft will be scheduled for adoption by the City Council.



2.0 1989 HOUSING ELEMENT PROGRESS REPORT

2.1 State Housing Programs

As stated in the Introduction, State Government Code (Section 65588b) requires a periodic review and update of the City's Housing Element, not less than every five years. Section 65588a stipulates that the City, in its review, shall evaluate the following:

- 1) *The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.*
- 2) *The effectiveness of the housing element in attainment of the community's housing goals and objectives.*
- 3) *The progress of the City toward implementation of the housing element.*

In the 1989 Housing Element Update the City endorsed the state housing goal of a decent home for every Californian; and the programs stated therein to accomplish that goal:

- ☐ *Conserve and improve the condition of the existing affordable housing stock.*
- ☐ *Assist in the development of adequate housing to meet the needs of low and moderate-income households.*
- ☐ *Identify adequate housing sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income groups.*
- ☐ *Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.*
- ☐ *Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color.*

2.2 Analysis of 1989 City Housing Goals and Policies

The following goals and policies were included as part of the 1989 Housing Element to implement the state's housing programs in ways that would be conducive to the city's General Plan and land use policies. An analysis for effectiveness is included after each goal statement.

- **Goal 'A'** *To promote the city's rural residential, animal-keeping lifestyle.*

Policy 'A-1'. *Housing programs and subsequent projects and regulations will be evaluated on the basis of maintaining the city's rural atmosphere and protecting and enhancing animal-keeping.*

Policy 'A-2'. *The level of public services to residential areas of the City will be based upon the anticipated population projected and protection of the natural environment.*

Analysis: All new housing in the City, including units developed through affordable housing programs have been developed consistent with the city's zoning ordinance to effectively maintain a community atmosphere that promotes the animal-keeping policies of the General Plan. Through affordable housing programs, the City is able to provide a variety of housing opportunities across a broad range of household incomes that might not otherwise be available to low income households because of the higher land costs generally associated with animal keeping.

- **Goal 'B'** *To provide adequate housing in the City by location, type, price, and tenure, especially for those of low- and moderate-income and special needs households.*

Policy 'B-1'. *The City will seek federal, state, and local funding to provide and subsidize low-cost housing.*

Policy 'B-2'. *The City will encourage public/private sector partnerships and cooperation in developing and implementing solutions to affordable housing .*

Policy 'B-3'. *The City will encourage developers to build a range of housing that is affordable, including low- and moderate-income households.*

***Policy 'B-4'.** The City will encourage growth in an orderly manner to make the best and most efficient use of existing and future infrastructure.*

Analysis: The City has a number of housing programs administered by the Redevelopment Agency that are funded from a combination of federal, state, and redevelopment funds. Community Development Block Grant funds are distributed by HUD and administered to the City of Norco through the Riverside County Economic Development Agency. Up to 1995 these funds were fully committed to the Infill Housing Program through which the City constructed nine new affordable units in fiscal years 93-94 and 94-95; including two for very low income households. An additional unit will be constructed in 1995. In addition to HUD funding, the City has programs funded through redevelopment financing that provide subsidies for low-income households that could not otherwise qualify for home mortgages. Through the First-Time Homebuyers Program 41 additional low-income housing units were created. The City is also working with a private organization and has obtained HUD Section 8 funding for the development of the first of two phases (40 units) for 75 senior housing units, all of which will be affordable to very low income households.

With redevelopment the City has programs to assist existing low-income households to finance necessary improvements to maintain the livability of the structure; and to provide improvements for households with special needs. A total of 647 homes (less the First-Time Homebuyers Program) have been assisted through the various programs since 1989. The Redevelopment Agency has been recognized by the California Redevelopment Agencies Association as one of the state's most progressive cities for its accomplishments and progress in assistance to low and moderate income families.

The City has been successful in implementing policies 'B-1' and 'B-2' and these will be retained in the 1995 revision. Given that the City is near build-out in its residential zones, Policy 'B-3' will not help the City meet its low- and moderate-income housing needs, and since no progress has been made with this policy since 1989, this policy will not be retained in the 1995 revision.

- **Goal 'C'** *To encourage sound growth in the community by designating suitable sites for residential development.*

***Policy 'C-1'.** Recognize environmental hazards and restraints will be taken into consideration during the planning of residential*

in environmentally sensitive areas, such as the City's flood plains, hillsides, river bluff, and the I-15 Freeway.

Policy 'C-2'. *Logical annexation of adjacent unincorporated areas within the city's sphere of influence will be encouraged for housing when adequate service and proper land use plans have been developed.*

Policy 'C-3'. *The City will encourage residential infill within existing neighborhoods to better utilize existing services and utilities and to reduce infrastructure development costs.*

Policy 'C-4'. *The city will monitor its compliance with the 1989 SCAG-sponsored Regional Housing Needs Assessment (RHNA) and participate with SCAG in future projections of housing needs for the community.*

Analysis: The City is primarily built out residentially with the exception of large tracts of vacant land in the eastern hills that have yet to be developed. These have been appropriately zoned to accommodate the special environmental conditions associated with the hillside location, and future development will have to be in compliance with these specially designed regulations. Exhibit 3.6 shows the existing undeveloped areas where housing will eventually be built including the hillside areas. The only other area currently within the city limits that is not developed or in the process of being developed is at Corydon Avenue and River Road. This site does not contain any special environmental conditions and is appropriately zoned for residential development.

Future annexations include two small areas, one located northeast of the City at Crestview Drive and Arlington Avenue; the other is located on the west side of the City at the end of Bluff Street. The area at the end of Bluff Street may be annexed in the next five years at which time the environmental concerns of the river bluff will be identified and analyzed. The area northeast of the City was proposed for annexation with development of housing in the past but the application was eventually withdrawn. This site is adjacent to the Hidden Valley Conservation Area and will require careful environmental planning if proposed for residential development in the future. Both of these potential annexation areas are located so that infrastructure can easily be extended to provide necessary services if development becomes imminent.



The City's Infill Housing Program creates opportunities to use previously unusable lots because of existing substandard conditions. This program has allowed for the construction of nine new units within the past five years, with a new unit slated for fiscal year 1995-96.

Policy 'C-1' is a requirement of the California Environmental Quality Act and its implementation is mandated by state law. The policy will be retained in the 1995 update, however, it will be re-stated to reflect Norco's specific environmentally sensitive areas. Policies 'C-2' through 'C-4' are effective in helping the City to meet its housing requirements and will be retained in the updated edition.

- **Goal 'D'** *To improve and conserve existing residential neighborhoods.*

***Policy 'D-1'.** The City will seek methods of preserving and enhancing existing neighborhoods within the City through capital improvement planning and redevelopment programs.*

***Policy 'D-2'.** The City will continue to pursue housing code enforcement and nuisance abatement programs.*

***Policy 'D-3'.** The City will encourage residents to take advantage of rehabilitation and energy conservation programs offered by the Riverside County Housing Authority and local public utility companies.*

Analysis: As stated in the analysis of "Goal C", the City has instituted several housing improvement programs through the Redevelopment Agency, which have been effective in assisting low-income households that could otherwise not afford to make housing improvements necessary to preserve the viability and livability of existing neighborhoods. In the past five years the program that has provided assistance to the greatest number of homes is the Sewer Improvement II Program which has assisted 396 435 low-income households pay their respective property assessments that were established to pay for expansion of the city's sewer system. The Sewer One Program then provided low interest loans to qualifying low income households, to pay for residential service connection into the City's main line. This program was used to assist 76 households. The Senior Home Repair Program was created for very low income households with senior citizens to provide needed improvements while still maintaining affordability of the units. In the past five years, 90 homes have been assisted through this program. The City also has a program that allows qualified households to obtain loans to



correct code compliance problems when said improvements cannot be completed by the homeowners for economic reasons. One home was assisted in the past five years.

A full time housing coordinator assists all qualified applicants in finding appropriate programs, whether they be through the City, the County, or other public agency. All of the policies for Goal 'D' are important and have been effective in improving housing conditions within the City over the past five years, with the exception of Policy D-3. Since the City is not aware of any rehabilitation and energy conservation assistance from the County Housing Authority, nor from the utility companies, this policy will be removed. The remaining policies, however, will be retained in the 1995 update.

- **Goal 'E'** *To provide for a decent home and satisfying environment for all residents regardless of age, race, sex, marital status, ethnic background, income or other arbitrary factors.*

Policy 'E-1'. The City will promote equal housing opportunity.

Analysis: The City practices equal opportunity in all of its housing programs and in the approval of all new residential developments within the City. Through its various redevelopment programs, the City has assisted 219 female-headed households, a group which according to the 1990 census had the lowest average household income, and the greatest number of children living below the poverty level. In the past five years the City has been working with a private organization to develop a senior housing project targeted for very-low incomes. The project was not able to obtain the necessary federal funding in its first application; and will be pursued again in the next five years under a revised application package. The requirements of Goal 'E' are federally mandated, and therefore do not need to be singled as a goal of the City, however, the goal will be restated in the 1995 update.

- **Goal 'F'** *To provide for a decent home and satisfying environment for all residents regardless of race, creed, sex, age, marital status, national origin, ethnic background, income or other factors.*

Policy 'F-1'. The City shall provide adequate municipal services necessary for the maintenance and upkeep of the existing housing supply.

Policy 'F-2'. *The City shall encourage the continued high maintenance levels of the housing stock which are currently in practice.*

Policy 'F-3'. *The City shall enact and enforce codes and ordinances that will serve to correct substandard premise and structural conditions.*

Policy 'F-4'. *The City shall participate in appropriate state and federal housing programs.*

Policy 'F-5'. *The City shall cooperate with private developers and non-profit sponsors in the processing of applications and plans involving the development of affordable housing.*

Policy 'F-6'. *The City shall cooperate with private developers and non-profit sponsors in the processing of applications and plans involving the development of affordable housing.*

Policy 'F-7'. *The City shall establish review procedures to ensure that households benefiting from the city's efforts to provide affordable housing are in the low and moderate income groups deemed eligible for such assistance.*

Policy 'F-8'. *The City Redevelopment Agency shall consider the use of the affordable housing fund (20% tax increment set-aside) to address a variety of housing needs.*

Policy 'F-9'. *The City will assure that a mobile home park closure impact report is compiled prior to the closure of any mobile home housing.*

Policy 'F-10'. *The City shall support the formation and efforts of bona fide non-profit organizations and citizens groups who are eligible to apply for federal and state housing funds and who may sponsor proposals to provide affordable housing.*

Policy 'F-11'. *The City shall include a full range of housing types in its implementation of programs that encourage the development of affordable housing.*

Policy 'F-12'. *The city shall enforce the Uniform Building Code, state sound insulation and energy standards, and other appropriate codes and standards to ensure that housing is decent, safe, and sanitary.*

Policy 'F-13'. *The City shall require new housing to be in conformity with the locations and densities established in the land use element of the General Plan and the city's zoning code.*

Policy 'F-14'. *The City shall not permit the development of new projects found to be incompatible with existing residential neighborhoods located adjacent to or nearby the proposed project. It shall be the city's policy to encourage a compatible mix of housing densities.*

Policy 'F-15'. *The City shall encourage site planning and design standards that promote state of the art energy conservation in new and improved residential developments that go beyond the Title 24 measures mandated by the state or that address different areas.*

Policy 'F-16'. *The City shall encourage use of state of the art construction techniques and allow the use of alternative building materials to be extent permitted by health and safety standards.*

Policy 'F-17'. *As required by State law, the City shall update and revise the housing element of the General Plan at a minimum of once every five years.*

Policy 'F-18'. *The City shall support actively legislative actions that will continue existing housing grant programs and provide local government with the discretion necessary to serve local housing needs adequately.*

Policy 'F-19'. *The City shall approve condominium conversions only when there is an annual average vacancy rate of three percent or less in the market in order to preserve Norco's rental supply.*

Analysis: Policies 'F-1', 'F-8', 'F-12', 'F-13', 'F-14', and 'F-17' are requirements of other federal, state and local regulations and are therefore not necessary for inclusion in the Housing Element update. Policies 'F-3', 'F-4', 'F-5', 'F-6', 'F-7', 'F-10', 'F-11' and 'F-18' are also applicable to the other stated goals and will be combined with the related policies in the update. Policies 'F-2', 'F-9', 'F-15', 'F-16' and 'F-19' are unclear in their intention, or are otherwise not applicable in the implementation of Norco's housing programs, and will not be retained in the 1995 update.

3.0 HOUSING NEEDS ASSESSMENT

3.1 Population Characteristics

The City of Norco, along with all California cities, has two outside primary sources for ongoing and updated population data. The first is the decennial U.S. Census which is an actual head count based on direct questionnaires to the population. The second source is the California Department of Finance (DOF) that provides updated population estimates annually. The DOF estimates are based on the latest census figures with annual changes factored in that reflect recent population trends, changes in the number of housing units, and the average family size. In the 1980 census, Norco had a population of 19,871. Between 1980 and 1990, the City grew by 3,570 residents to 23,302, an increase of 17.5%. The latest DOF estimate from January, 1995 has the population at 24,817, an additional gain of 1,515 which is 6% over the 1990 figure. These population figures include the inmates at the California Rehabilitation Center which number 5,000 as of January 1994 up from 1,501 in the 1980 census, an increase of 3,499. Most of the growth in the City has been the result of growth at the Rehabilitation Center. The City had an annual average growth rate of 1.7% between 1980 and 1990. That annual growth rate has slowed to 1.5% since 1990. In the region, Norco represents 1.8% of the total population for Riverside County which was determined by the DOF to be 1,393,500 in January of 1995.

In addition to the overall growth that has occurred in the City, the composition of the population also changed which can affect the future housing needs of a community. As Exhibit 3.1 illustrates, the percentage of the population 65 years and older has increased from three to four percent while the percentage that is 20 years old and under has decreased from 39% to 26%. The population group between 20 and 64 years also increased from 58% to 70%. A comparison with Riverside County shows that the County has a more broad range of age distribution with 13% of the population over 65 and 33% under 21. This breakdown of the population statistics has remained fairly constant in the County over the last ten years. For the City, though, the trend is towards an aging of the population generally, increasing the future housing needs for a segment of the population that is generally more dependent on subsidized housing than the rest of the population. The aging population, in many instances, has a fixed amount of income that can be allocated towards housing, which limits their options.



EXHIBIT 3.1 CENSUS POPULATION STATISTICS

Source: U.S. Dept. of Commerce

AGE
GROUPS

19 0

19 0

PERCENT
INCREASE

ANNUAL INC.
1980-1990

1995*

PERCENT
INCREASE

ANNUAL INC.
1990-1994

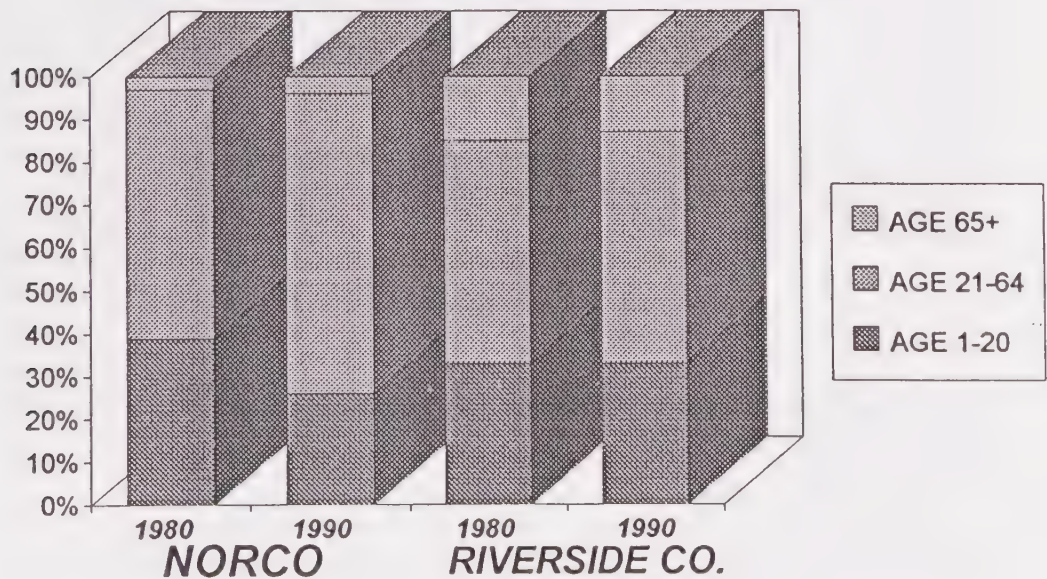
NORCO

1-20	7,676 (39%)	6,065 (26%)	-21				
21-64	11,500 (58%)	16,181 (70%)	29				
>64	695 (3%)	1,056 (4%)	34				
Total	19,871 100%	23,302 100%	17	1.7%	24,817	6%	1.5%

RIVERSIDE COUNTY

1-20	216,903 (33%)	382,800 (33%)	76				
21-64	347,807 (52%)	632,940 (54%)	82				
>64	98,456 (15%)	154,673 (13%)	57				
Total	663,166 100%	1,170,413 100%	76	7.6%	1,393,500	16%	4%

* California State Department of Finance Estimate



Norco

3.2 Employment Characteristics

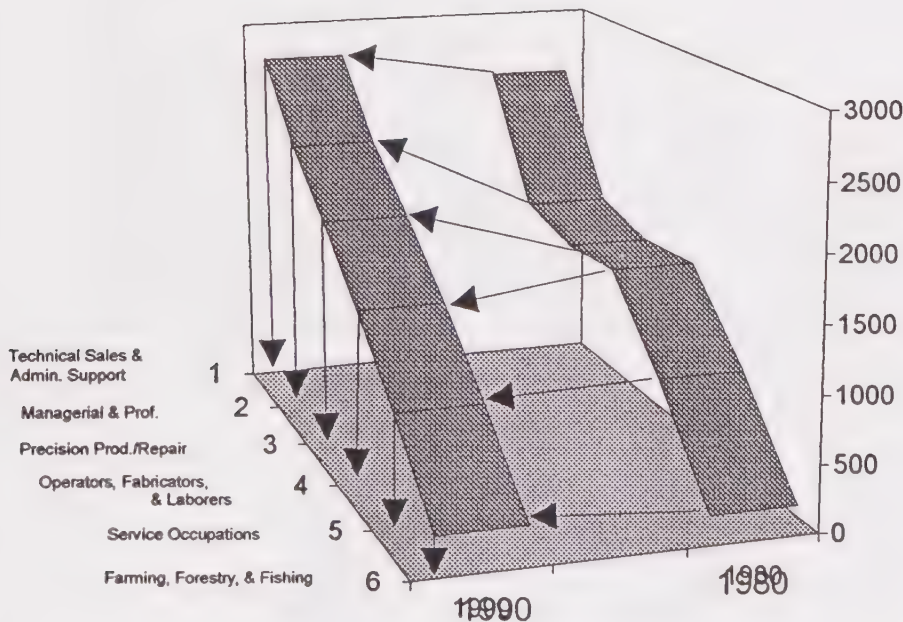
The employment characteristics in the City of Norco have remained fairly constant over the last ten years. In 1980, 40% of the population was employed. In 1990 that number was reduced slightly to 39%. The largest segment of the working population over 16 years is employed in technical, sales, and administrative support jobs as defined by the U.S. Census Bureau. In 1980 and 1990 these represented around 30% of the overall labor force residing in Norco. Of those, the largest group is in administrative support and clerical jobs, about one in seven of the total number of jobs in the City. The largest single job category is precision production, craft and repair work, employing approximately one in five of the employed citizens, or a total of 1,752. The biggest trend in employment from 1980 to 1990 was a reduction in the percentage of the workforce in operator, fabricator, and laborer professions, a reduction of almost four percent, compared against a comparable increase (4.5%) in managerial and professional occupations. There was a slight decrease in the percentage of the workforce involved in service oriented jobs and a slight increase in farming and forestry jobs.

Because the population numbers for the City include the inmates at the Rehabilitation Center, the statistics show a higher percentage of the population not employed as compared to what the average is for the rest of Riverside County. In 1980 the total number of citizens that did not work was 2,244 compared against a workforce of 8,034, representing 22% of the those within the working age group defined by the Census Bureau. In the 1990 census, with 9,059 people in the workforce the City had 6,399 people that were categorized as having not worked in the previous year. This represents 34% of the 18,836 that were categorized as able to work. Everyone over 16 years old is considered by the Department of Commerce as that age group which is able to work. When you take out the Rehabilitation Center inmates from the employment pool, Norco had 743 people categorized as unemployed in the 1980 census or approximately 9% of the total workforce. That number increased to 1,400 in 1990, or 15% of the total.



EXHIBIT 3.2 EMPLOYMENT CHARACTERISTICS

OCCUPATION	1990		1980	
	PERCENT	NUMBER	PERCENT	NUMBER
	30	2,706	30.9	2,477
Managerial and Professional	23.7	2,149	19.2	1,642
Precision Production, Craft, & Repair Occupations	19.3	1,752	17.7	1,423
Operators, Fabricators, and Laborers	14.4	1,313	18.3	1,469
Service Occupations	9.3	841	11.2	904
Farming, Forestry, and Fishing	3.3	298	2.7	219
TOTAL	100.00%	9,059	100.00%	8,034
Did Not Work				
Rehabilitation Center Inmates				
Retirees				
Disabled				
		6,399		2,244



3.3 Regional Housing Needs

State law requires each City to actively pursue its proportionate share of the region's housing needs based upon that region's **income distribution**. Those needs are addressed in the Regional Housing Needs Assessment (RHNA), one of four documents prepared by the Southern California Association of Governments (SCAG) to address future population growth, and how the area can best plan for the anticipated impacts. Specifically the RHNA addresses a community's **existing housing need** based on population, income, and housing stock; and how these statistics compare against related regional statistics. Based on the comparison, SCAG then makes quantitative recommendations for local agencies to include within their respective housing elements that will help them to better meet their share of the region's housing needs. These needs are categorized within specific household income classifications as determined by the State.

When a community's housing stock is found lacking in any household income classification as compared to what exists in the region, the recommendation from SCAG will attempt to equalize the inequity by recommending a greater proportion of housing for that income group within that particular community. In addition to the existing housing need, the RHNA addresses the **future housing need** of a community taking into account the forecasted growth in the number of future households. State Housing Element Law requires Cities to maintain their existing housing as defined by the number of households in each income group at the beginning of the plan; and to include the additional units allocated to that community through the RHNA. The RHNA was last updated in 1988 and the future housing need was based on projections in housing growth that was anticipated to occur by July 1, 1994. The Norco 1995 Housing Element Update incorporates this data from the 1988 RHNA since no updated data from SCAG is available.

3.3a Income Distribution. Median income is determined by the United States Department of Housing and Urban Development (HUD) and is updated annually to determine eligibility for HUD housing programs. The median income is that income where half the population earns more, and half earns less. The State Department of Housing and Community Development adjusts these numbers to come up with the median income for each county. This is the primary data used by SCAG in determining a community's housing needs. By state law, SCAG is required to divide the population into four income groups represented as percentages of the County median income, for purposes of determining which households are overly impacted because a community's housing costs represent an inappropriate portion of those household monthly incomes. The household income classifications are as follows:



- ☐ **Very Low Income:** Less than 50% of the median.
- ☐ **Low Income:** Greater than 50% and less than 80% of the median.
- ☐ **Moderate Income:** Greater than 80% and less than 120% of the median.
- ☐ **Above Moderate Income:** Greater than 120% of the median.

In Riverside County, the latest statistics show the median income to be \$42,300.00. This is the median income for a family of four as of January 1995, which showed no change from the June 1994 statistics. For Norco, the median is \$51,594.00. Based on these figures the income categories would break down as shown in Table 3.1.

TABLE 3.1
HOUSEHOLD INCOME

Income Group	# Units	Household Income Limits
Very Low Income	798	< \$21,150.00
Low Income	780	\$21,150.00 - \$33,850.00
Moderate	1,475	\$33,850.00 - \$50,750.00
Above Moderate Income	2,588	< \$50,750.00

3.3b Existing Housing Need (Ability to Pay). In the 1990 census it was determined that Norco had 5,592 occupied households as compared to a determination of 5,651 units used in the RHNA. The breakdown of housing units within the City, from the 1990 Census data, based on housing costs as a percentage of household income levels is shown in Table 3.2. For reasons of the census procedures the total number of units in the table are not equal to the total number of units in the community, but do represent a substantial portion of them. From this census data, SCAG determines the existing housing need of a community.



TABLE 3.2
HOUSING COST AS A PERCENTAGE
OF HOUSEHOLD (HH) INCOME

Source: United States Department of Commerce

OWNER OCCUPIED UNITS

NUMBER OF HOUSEHOLDS

PAYMENT AS % OF HH INCOME	0-19%	20-24%	25-29%	30-34%	35+%
INCOME RANGE					
< \$10,000	14	0	0	12	79*
\$10,000 - 19,999	83	29	16	0	163
\$20,000 - 34,999	195	69	40	58	249**
\$35,000 - 49,999	200	69	133	92	309
>\$50,000	1,158	443	381	212	189

* 41 Units not computed.

** 5 Units not computed.

RENTER OCCUPIED UNITS

NUMBER OF HOUSEHOLDS

PAYMENT AS % OF HH INCOME	0-19%	20-24%	25-29%	30-34%	35+%
INCOME RANGE					
< \$10,000	0	0	7	0	121*
\$10,000 - 19,999	0	12	0	14	154**
\$20,000 - 34,999	22	60	51	31	75***
\$35,000 - 49,999	53	36	39	9	14
>\$50,000	116	96	10	7	0

* 16 Units not computed.

** 32 Units not computed.

*** 9 Units not computed.

The existing housing need determined by SCAG in the RHNA identifies that portion of the population which is impacted in terms of the amount of income spent on housing. A household is considered to be in "need" when it falls within the low income household category (income less than 80% of the County median) and has housing payments that exceed 30% of the household income. To qualify as a Low Income Household (LIHH) with an existing need, the household must qualify on these two accounts; first an annual income that is less than 80% of the County median, and second, the household must pay



more than 30% of the income on housing. A low income household does not qualify as an 'existing need' if housing payments do not exceed 30% of the household income, even if the house itself may be substandard. Likewise, a household with moderate income that spends more than 30% of their income on housing is not considered to be an existing need household.

In the 1990 census, it was determined that the City had 5,641 households compared to 5,651 determined by SCAG in the RHNA. The census data is later and more accurate given that the RHNA number was a projection; however, since the numbers are close, this portion of the 1995 Housing Element update will use the recommendations made in the RHNA to determine the direction the City needs to go in order to accomplish its housing goals.

In the 1988 RHNA, Norco had 5,651 total households of which 1,277 were determined to be Low Income Households. These totals were based on the 1980 census data adjusted upward by SCAG to reflect housing growth between 1980 and 1988, as estimated by the California State Department of Finance. The same percentage of households within each income category was carried forward to the adjusted population data, and the number of units within each category was then updated appropriately. Table 3.3 shows how the City of Norco compares to Riverside County in terms of the number of low income households (LIHH) and the number of low income households that are considered to have an existing need for affordable housing.

TABLE 3.3
LOW INCOME HOUSEHOLDS (RHNA)

	CITY OF NORCO				RIVERSIDE COUNTY			
	# OF HOUSEHOLDS		PERCENTAGE		# OF HOUSEHOLDS		PERCENTAGE	
TOTAL @	5,651				335,701			
TOTAL LIHH	1,277		23 (OF TOTAL@)		128,914		38 (OF TOTAL@)	
LIHH WITH EXISTING NEED	556		44 (OF LIHH)	10 (OF TOTAL)	51,334		40 (OF LIHH)	15 (OF TOTAL)
TENURE (UNITS)	OWNER	RENTER	OWNER	RENTER	OWNER	RENTER	OWNER	RENTER
VERY LOW (292)	171	121	59	41	8,431	20,394	29	71
LOW (263)	161	102	61	39	7,597	14,911	34	66
TOTAL	332	223			16,028	35,305		

@ Represents total number of households at all income levels.

The table indicates that a higher percentage of the Low Income Households in Norco are categorized as being in need (44%) than what occurs in Riverside County (40%). The translation is that households in the low income categories have a harder time obtaining adequate housing at a cost that does not overwhelm (>30%) the household budget. Based on the RHNA, Norco in 1988 had an existing need of 556 affordable housing units, or 556 low-income



households were paying more than 30% of their income on housing. This existing need determination was not a mandate to communities to provide that certain number of housing units per income level, but was meant as a recommendation to guide policies within the General Plan Housing Element to accomplish the construction of new units and/or the creation of new programs to assist those households with an existing need.

If a community determined that it would be unable to reach the recommended number of units, the Housing Element would have needed to include a justification for a modification of the numbers. In the 1989 Housing Element, the City stated as one of its objectives in the plan, the provision of 556 "new housing units" with no specification as to the affordability of the units. No attempt was made to adopt or justify a set of numbers different from those contained in the RHNA.

Since that time, the City has made substantial progress in the provision and preservation of affordable units, and is continuing with programs to provide additional assistance. Through these programs the City was able to provide 49 additional affordable units reserved for incomes ranging from very low to moderate. Through the First-Time Homebuyer Program (FTH) 41 affordable households were created, and eight units were created through the Infill Housing (INFILL) Program. Of these units, five went to female-headed households (FEM.).

	VL	LOW	MED.	MOD.	FEM.	SEN.	TOTAL
FTH		9	22	18	5		41
INFILL	3	5					8

With four home improvement assistance programs the City has been able to encourage the preservation of 539 homes (511 through the Sewer One and Two [S1 & S2] Programs) that are currently occupied by low and moderate income families, and that without assistance might otherwise deteriorate to the point that they would not maintain their suitability for housing. Out of these, 264 homes housed senior residents within the "very low" income category, and 152 were female-headed households. While these units do not help the City to meet its existing need, they insure that the City will comply with State Housing Element Law that requires each City to maintain the number of affordable units that existed at the time of adoption of the RHNA. The City is required to maintain these units while they implement programs to increase (if an increase is necessary) the number of affordable units recommended in the document. The first program is the Deferred Loan Program (DL) which is designed for home improvements to maintain the livability of structures; improvements which otherwise would not be available to low income households. The other program is the Code Compliance Program (CODE) which is designed to assist low income households to make necessary improvements that bring a non-complying home into compliance with City Building Standards.



	VL	LOW	MED.	MOD.	FEM.	SEN.	TOTAL
DL	11	16			8	8	27
CODE	1						1
S1	32	24	10	10	14	20	76
S2	209	180	42	4	130	230	435

In addition to the above programs, 96 very low income senior citizen and/or disabled citizen households received maintenance and home improvement assistance through the Home Access (ACCESS) (handicap access improvements) and Senior Repair Programs (REPAIR).

	VL	LOW	MED.	MOD.	FEM.	SEN.	TOTAL
ACCESS	3	3			3	6	6
REPAIR	90				59	90	90

The goals contained in the RHNA are not feasible for Norco; however, the City will continue to pursue policies and opportunities to provide a range of housing for all income levels in accordance with the City's Land Use Element. The slowdown in the economy and the generally built out condition of the City's residential zones, makes it unlikely that the City will be able to achieve new units, much less, this many new affordable units in the next five or ten years. Between 1990 and 1994 the City issued from 10 to 15 new residential building permits per year. The attainment of more affordable units continues to be an overall goal of the City, however, it will take more than one cycle of the Housing Element to accomplish an equitable amount of units. Hence, this goal has been revised to reflect a more attainable goal in this current cycle of the Housing Element.

Section 3.3c Future Housing Need. As Table 3.3 indicates, a higher percentage of the households in Riverside County fall within the Low Income Household range than do in the City of Norco. Likewise, there is a higher percentage of households with an existing need in the County than there is in the City. One of the primary goals of the RHNA is to avoid areas of "impaction" and to try and equalize existing imbalances between areas of "impaction" and areas that do not have a fair proportion of the area's stock of affordable housing units. An area is considered impacted if it has more than the regional average of low income households. In addition to the "Existing Need" the RHNA attempts to forecast future housing growth and disaggregate these future units according to income category for each of the local jurisdictions.

For areas that do not have a fair proportion of affordable units, the recommended numbers of households in those income categories are adjusted 25% of the way toward ultimate equity. And vice-a-versa for communities which are "impacted" with low income households. Since the City of Norco currently does not contain its proportional amount of low income households, the



recommended number of units to be provided in these price ranges has been adjusted toward a long term goal of correcting the imbalance.

In addition and as part of the future need, the RHNA included an additional number of "future" units representing a gap period that was to occur between the adoption of the RHNA and the next implementation of the various Housing Elements throughout the state (January 1988 to June 1989). This "gap" number was determined by SCAG to be 152 units for the City of Norco within all four income categories. The cities were directed by SCAG to then adjust these "gap" numbers to reflect the growth that actually occurred. Between January 1988 and June 1989 the City issued 117 permits for single family homes. Since the difference between the "gap" number and the number of permits that were actually issued is not significant; and since growth in the housing stock has dropped significantly in the last five years; and since the real issue is whether or not the City can even attain the number of new affordable units recommended in the RHNA, this will be the last time the "gap" is addressed in this document and no adjustments will be made regarding it.

The "Future Housing Need" for the City of Norco was determined to be 286 units of which 34 needed to be affordable to households of very low income and 43 needed to be affordable to low income households. It was this "future" 77 units for low and very low income households that the City needed to focus on in its housing element to accomplish its share of the regional housing growth that was to occur between 1989 and 1994. The remaining 209 units are within the moderate to high income categories. As stated in Section 3.3b, the current rate of new home construction is 10-15 units per year so it is not reasonable that there will be over 200 moderate to high income units constructed in five years. Nevertheless, the market has generally met the demand for these units without government intervention, and therefore, no policies will be directed toward the development of moderate to high income households.

The City was able to construct eight new units through its Infill Housing Program, and was able to provide 41 additional units through the First-Time Homebuyer Program, both of which uses redevelopment financing (see the Norco Redevelopment Project Area Implementation Plan). These 49 units reduce that number that was determined to be the City's Future Housing Need. No other affordable units have been constructed, however, the City is currently working with a non-profit organization to construct 75 new housing units over the next ten years for elderly households within the very low income bracket. In addition, the City is currently working with a private organization on the development of an additional infill housing unit in fiscal year 1995-96. The total of all of these would satisfy the City's portion of future affordable housing needs for low and very low income households as determined by SCAG in the RHNA.



3.4 Housing Characteristics

The housing stock in the City of Norco is categorized in different ways, each describing the existing condition of the total number of units in the community. The first category breaks down the housing stock based on the **types of units**, whether the units are single family (separate) or multi-family (apartment) units, and then how many bedrooms are available on average, which moderates the types of households that can exist in the community. The **tenure of units** (i.e. rented or owned) also plays a role in the determination of housing units available in the City and to what income groups these units can be affordable, since it is generally the case that rented units have a lower monthly cost than owner-occupied units. The **vacancy rate** of a community's housing stock, which is enumerated in the U.S. Census, is an indicator as to what types of units the City may be lacking in terms of high market demand and low unit availability, and where the General Plan needs to focus to provide more-units within that income category. Another housing characteristic that is addressed in this section, and which can have a long term affect on future housing supplies is the **condition of the housing stock**. An analysis of conditions can help the City to identify programs that will preserve existing units which can be available to a wider range of household incomes.

3.4a Types of Housing Units. The City of Norco is primarily a single-family housing community because of the City's goal statement of supporting an animal-keeping lifestyle. In 1990 the City had 5,785 housing units of which 5,400 were single-family detached units. There were 78 units classified as single-family attached. There were 90 units in complexes consisting of two to four units per structure. The remaining units were located in buildings containing five or more units per building or were otherwise not included in the survey because they did not fall within one of the categories. As the table below indicates approximately 93% of the City's housing units are single-family.

**TABLE 3.4
HOUSING COMPOSITION**

HOUSING TYPES	# OF UNITS	% OF TOTAL
1 UNIT DETACHED	5,386	93
1 UNIT ATTACHED	78	1
2 - 4 MULTI - UNITS	100	2
5 & MORE MULTI - UNITS	114	2

The remaining units in the City are within existing senior housing projects.

3.4b Tenure of Housing Units. In the 1990 Census, the City had a total of 5,785 units out of which 5,592 were occupied (96.7%). Of these occupied units, 4,608 were owner occupied and 984 were renter occupied. The pattern of tenure (owner -v- renter) varies depending on the age of the household's



occupants. As would be expected, the younger the householder, the greater the percentage is that live in rental units. And likewise, as the age of the householder increases, there is a general increase in the percentage of that population segment that lives in rental units. Exhibit 3.3 shows the tenure of the City's occupied housing stock disaggregated by age of householder. Riverside County shows the same general pattern in tenure as the City of Norco with the exception that more of the population across the spectrum lives in renter-occupied units, with the greatest discrepancy in the age group between 15 and 24. In this age group 60 percent of the population in Norco lives in renter-occupied housing, while the comparison in the County is 80 percent. Given the City's stated goals of maintaining an animal-keeping lifestyle, there are only a few multi-unit residential complexes in the City, and these are for senior housing only. Typically, multi-family units allow a community to meet a wider range of affordable housing needs, especially for younger families. This is potentially an issue in Norco, if there exists a substantially lower amount of affordable units than what otherwise exists on the average in Riverside County.

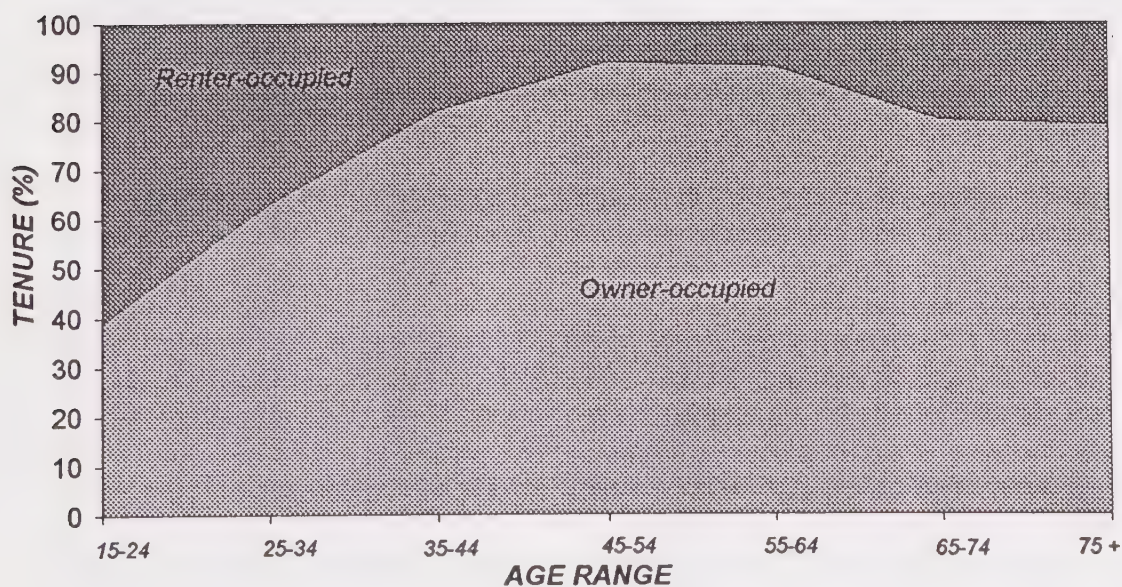
A comparison to the population statistics in Exhibit 3.1 shows that the City of Norco has roughly the same percentage of its overall population in the 20 and under age range; and that even though the development of apartment style residential complexes is not generally permitted, the City has an appropriate number of units in the rental market to maintain a population base similar to County averages. As has been described in previous sections, the City has a number of programs that are designed to increase the number of affordable housing units in the City and to maintain the existing affordable housing stock, while staying within the parameters of the City's overall goal of animal-keeping residences.

3.4c Vacancy Rate. For housing availability, the vacancy rate of a community's housing supply plays an important role in insuring that an appropriate number of units are available. If the vacancy rate is too high, this can have negative impact on the community and the investment concerns of its citizens. If the vacancy rate is too low, it may be that there are not enough units in any one income category to meet existing market demands, and that a portion of the population may be being denied housing opportunities. The State Department of Housing and Community Development has determined that an appropriate vacancy rate for urban areas is 4%, which insures that the mobility needs of the population can be met while the investment concerns of a community are protected. This vacancy rate applies to both owner-occupied and renter-occupied units. The Southern California Association of Governments in the RHNA determined that appropriate vacancy rates for SCAG local agencies is 2% of single-family units and 5% of the multi-family units. The City's "Existing Needs" identified in Section 3.3 of this document were calculated by SCAG to achieve these optimal vacancy rates. In the 1990 Census, Norco had



EXHIBIT 3.3 HOUSING TENURE

AGE	OWNER OCCUPIED	%	RENTER OCCUPIED	%	TOTAL	TOT. %
15 - 24	36	39	57	61	93	100
25 - 34	542	63	319	37	861	100
35 - 44	1,272	82	283	18	1,555	100
45 - 54	1,547	92	133	8	1,680	100
55 - 64	750	91	75	9	825	100
65 - 74	346	80	86	20	432	100
75 +	115	79	31	21	146	100
TOTAL	4,608		984		5,592	



a vacancy rate of 3.3% for both owner-occupied and renter-occupied units. All of the identified vacant units (193 out of 5,785) were single-family units.

3.4d Condition of Housing Stock. The 1989 Housing Element included a survey of housing conditions that focused on a portion of the City east of the Interstate 15 Freeway, divided into 34 separate neighborhoods. The result of the survey was that less than 10% of the housing stock was deteriorated and in need of rehabilitation; and that 29 units were dilapidated and needed to be removed and/or replaced. A deteriorated structure is one that is defined as needing repair work that is beyond the scope of normal housing maintenance. A dilapidated unit is one in which there is a combination of critical and intermediate defects, or there is a defect severe enough that it renders a structure uninhabitable. These units require considerable repair, or replacement.

A windshield survey was conducted in 1995 identifying neighborhoods in the City where deteriorating or dilapidated houses were located, and how many units within each neighborhood could be classified as either deteriorated or dilapidated. Specific site by site surveys were then conducted for those neighborhoods. The results of the 1995 survey were that the proportion of houses categorized as deteriorated or dilapidated stayed at less than 10%, and actually became a smaller percentage of the overall housing stock as a result of new home construction combined with the improvement or removal of previously deteriorated structures. The City issues approximately 2,000 permits for improvements to existing houses each year with no differentiation between alterations for cosmetic reasons, and alterations for the improvement of defective necessary living standards. Since 1989 the City has issued 27 permits for the removal of dilapidated structures. On-going programs in the City are continuing to assist low income households in financing necessary improvements to maintain livability and avoid future demolitions.

An additional factor in the consideration of the housing stock, is the age when the structures were built. In the City of Norco approximately 63% of the existing housing units were constructed between 1960 and 1980. Fourteen percent were constructed between 1950 and 1959 and 10.2% were constructed before 1949. The units of general concern are those that were constructed in 1939 and before, which would be 55 years old and upwards. The 1990 census showed Norco to have 324 such units, or 5.5% of the total housing stock. While the City has issued 27 residential demolition permits, more units have the potential to fall into a condition of dilapidation from age, without the implementation of the programs mentioned above.



3.5 Households with Special Needs

There are segments of the population that because of unique living conditions require focused attention in the Housing Element so as to make sure their needs are being met in the housing market. Typically, market-driven housing developments are developed to meet the largest and most profitable segment of the population, so it is important that the Housing Element address the overall ratio to which these special groups have a need for units within the market and how they are being accommodated in the housing mix. **Disabled persons** have two areas of concern, the first being access in the housing unit, the second being the additional costs associated with providing physical improvements and the ongoing maintenance costs of this type of household. Another segment of the population with specific needs different from the general population are **senior citizens** because of their general need for smaller and more affordable units. Housing for **large families** can also be a concern because of the high cost of providing suitable housing that is larger than the average unit size in one of the most expensive housing markets (Southern California) in the country. This is especially true for low-income households. The result can be overcrowded living conditions which can affect the overall quality of life, both for the household, and for the community. Another segment of the population with special needs are those with **females as heads of households** because oftentimes there are child care needs conflicting with the need for income and a generally lower level of income that occurs in this segment of the population. The two last housing categories that need to be addressed are transitory or temporary in nature and include **emergency shelter** for those temporarily displaced because of disasters, and temporary shelter from the elements for the **homeless**.

3.5a. Disabled Household Needs

The 1990 Census describes disability under three terms: the first being a limitation on mobility, the second being a limitation on self-care ability, and the third being a disability from work. Because of the limitation on work, households with one or more persons with disabilities can have a potential for lower incomes. The City has programs to assist low-income households regardless of who the occupants are, therefore, the intent of this section is to address the additional physical needs that face persons with physical disabilities.

The City currently has a population of 13,810 non-institutionalized people over 15 years of age. Of those, 12,092, or 86%, do not have any limitations on mobility or self-care as a result of disabilities. One thousand two hundred and sixty-six (1,266) claimed in the census to have a limitation in mobility but not a limitation in self-care abilities, while 271 claimed a limitation in self-care but were not limited in mobility; and 181 have limitations in both mobility and self-care. The needs for residents with mobility limitations are currently being met by the Riverside Transit Agency through a dial-a-ride service with specialized



transportation vehicles for those who are not able to provide their own transportation or reach established boarding areas for the city bus routes. The primary concern of the Housing Element, therefore, is to provide the means by which the residential needs of disabled citizens can be met in the City's housing supply.

The percentage of the population 16 years of age and older that have limitations on self-care, including those that are categorized as having both types of limitations, is 3.5. There is not a source that counts how many residences in the City are currently equipped to handle the needs for disabled citizens because the related house improvements can tend to follow the household rather than stay with any particular structure. The City, therefore, needs to have programs to insure that all affected households have the means to be able to provide the necessary improvements on an as-needed basis. Through the Redevelopment Agency, the City is able to offer assistance to qualifying low-income households to provide the necessary improvements that will make them accessible as needed. Through this program the Redevelopment Agency has assisted four households since 1991. Additional households will be assisted as the need arises.

3.5b. Senior Household Needs

Senior citizens are a special concern because in many instances, the household incomes remain much more static than the price of the community's housing which can rise faster and higher in comparison. In Norco, the City's stated goal of preserving an animal-keeping lifestyle is not generally suitable for senior citizens whose needs, abilities, and recreations have changed. In the 1990 census approximately 4.5% of the total population was 65 years of age and older. Within this age group, 4.2% fall below the poverty line. The City currently has one senior housing complex consisting of 84 total units, of which 20% are required to be reserved for low-income households per a development agreement with the City. As of December 1994 the complex had an overall vacancy rate of 22% and all of the required low income units were filled. The percentage of senior citizens currently living in the City is below the average for Riverside County (3.9% -v- 15%)(Exhibit 3.1). For this reason, the City is working with the County to provide additional senior housing options.

Norco is one of 16 participating cities in the Riverside County CDBG entitlement program and receives an allocation based on the HUD fair share formula. In the County of Riverside Comprehensive Strategy (CHAS) 1991-96, the need for 100 low-income senior housing units was identified as a priority goal in the western Riverside County region. As described in Section 3.3c, the City, in conjunction with the County, is in the process of developing an additional 75 units for low-income senior households. The units are being developed through the HUD Section 8 program and will help the County meet its senior housing requirement identified in the CHAS. It will also insure that Norco has an adequate supply of

low-income senior units, given that the only existing affordable units are currently filled. The funding for a first phase of 40 units has been approved and construction is expected to begin in 1996.

An additional concern is the number of senior citizens that are aging in units that in some cases need maintenance and repairs to maintain the livability of the structure; improvements which may not be affordable to the homeowner. These citizens then have few or no options but to stay in these units because affordable senior housing alternatives are not available. The City will encourage the improvement of 15 low-income senior households by the end of the current planning period which ends in June of 1996, with an additional 70 units over the subsequent planning period which will end in 2001. This includes improvements to upgrade accessibility in senior households that will be improved as the need arises.

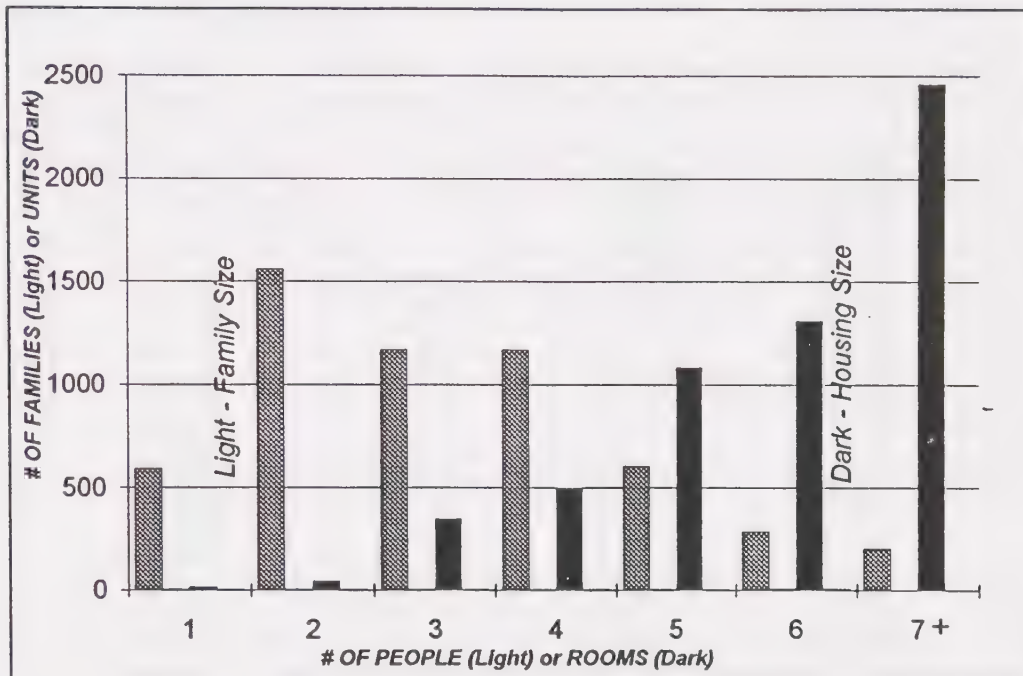
3.5c. Large Family Household Needs

The concern about large families is the potential for overcrowded conditions if adequately sized housing cannot be obtained. The U.S. Census Bureau has defined overcrowded conditions as households with more than one person per room (not including bathrooms, kitchenettes, laundry rooms, and other ancillary rooms). A room is defined by the Census Bureau as a whole room used for living purposes. An analysis comparing household sizes in the City and the number of large units that are available in the market to meet the needs of the large families is shown in Exhibit 3.4. The exhibit compares the housing units based on the number of rooms per unit, against family size. The exhibit shows that there are adequately sized housing units within the City of Norco to meet the size requirements for the City's families, notwithstanding other factors that may affect a family's ability to obtain an adequately sized home. The average family size is 3.4 while the average house size is 6.3 habitable rooms. The concern is whether large families are able to obtain the home sizes they need.

In the 1990 census, approximately 14% of the renter occupied households, versus 4% of owner occupied households, were categorized as overcrowded. Currently the City has programs available to assist qualified families in obtaining adequate housing through its First-Time Homebuyer and Infill Housing Programs, both of which are purchase assistance programs. Currently there are no rental assistance programs. A goal has been added to this planning phase of the Housing Element to investigate the feasibility of creating a new rental assistance program.



EXHIBIT 3.4 FAMILY SIZE -v- HOUSING SIZE



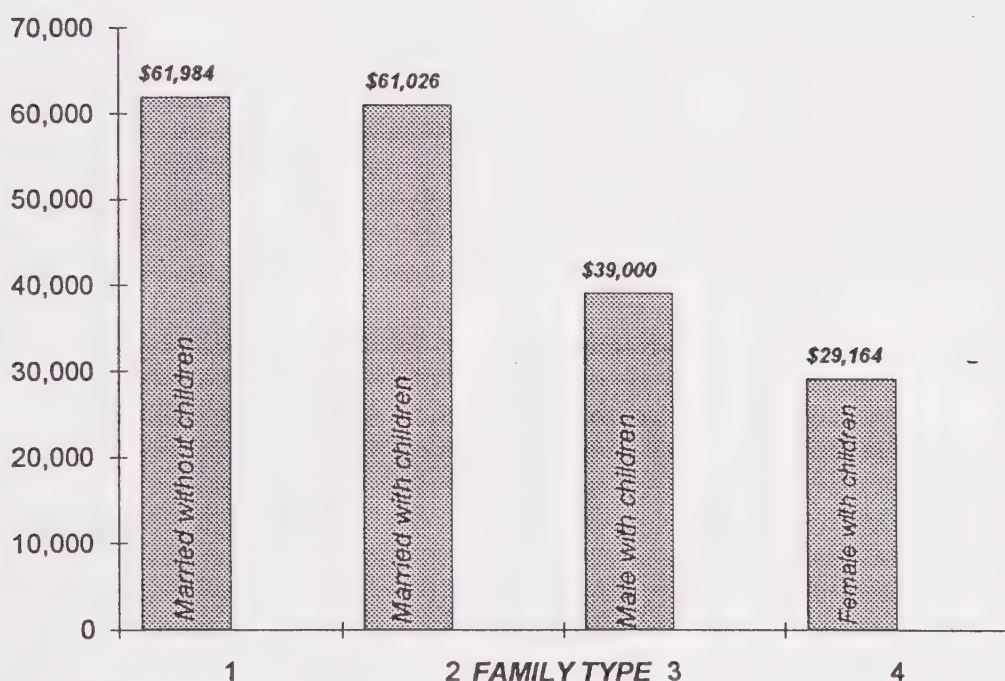
The City will seek to use the deferred loan program, especially as it can be applied to overcrowded households, on an additional eight units through the end of the current planning period in 1996. The goal for the next planning period will be five loans per year for a total of 25 loans through 2001. Where affordability is a factor, the City through its Redevelopment Agency has programs that can assist qualifying households to obtain housing.

3.5d. Females as Heads of Household Needs.

The primary concern in this segment of the population is households where, for one reason or another, there is only one parent, which creates conflicts between the economic needs of the home and the daycare needs of the family. Historically females in this situation, and without assistance, have earned less income than the rest of the population in general, restricting their ability to provide for both housing and daycare. The statistics from the 1990 Census show that households with children, headed by a single female, earned approximately \$10,000.00 less than the equivalent household headed by a male (Exhibit 3.5). In 1992, a day care center opened at the Riverside Community College campus that is available to all qualifying low and moderate income households. The center was partially funded with redevelopment agency funds.



EXHIBIT 3.5 FAMILY INCOME



The average income for a household headed by a single female falls within the low income category as delineated in Table 3.1, whereas the average incomes for other households are moderate or above moderate. Approximately 30% of households headed by females in Norco had children living below the poverty level, which is approximately 80+ families. As is the case with large families, the existing assistance programs are established for home mortgages and repair assistance on owner-occupied units. A goal for the next planning phase ending in 1996 is to establish, if feasible, a renter assistance program that could be used in renter-occupied female-headed households. As discussed in Section 3.5c, the deferred loan program will be used, as it can be applied, for qualifying female headed households.

With existing housing programs, female-headed households can be eligible to qualify for housing assistance based on income level. The percentage of female headed households (with children and no spouse) in the City is 4.3% of the total number of households; compared to the County where the percentage is 5.6% of the total. Conversely, in Norco the percentage of households with children headed by men with no spouse is 3.0% of the total, while in the County it is 2.0%.



3.5e. Emergency Shelter Housing Needs.

There are generally two types of emergency housing that communities need to be aware of. Long-term homeless housing needs are discussed in the following section. This section addresses that portion of the population that, for whatever reason, is prevented for returning to their own residences. This could be due to natural disasters or disrupted domestic situations including run-away youth and domestic abuse. The City has an emergency operation plan in accordance with the State's Emergency Shelter Program to accommodate people who have been temporarily displaced due to natural disasters. The primary purpose is to provide locations that have restroom/shower facilities, and secondarily, cooking facilities. The City's community gym at Alhambra Street and Hamner Avenue is the first location to open, followed by Corona-Norco Unified School District facilities and City Hall once the community center is full or not available. After preliminary emergency housing is established, private organizations, including the Red Cross, the Salvation Army, and the United Way, in cooperation with the City, take over the task of meeting the longer term temporary housing needs.

The other type of temporary housing need is caused primarily from family disputes, putting people not adequately prepared to obtain immediate housing, and with no other place to stay, onto the streets. Currently the needs of this group of people are being met through programs operated by private and non-profit organizations including churches and shelters, most of which operate on a regional basis out of Riverside. These organizations include those already mentioned above, and the Riverside Community Action Group, Battered Women's Services, Catholic Charities, and the Corona Christian Fellowship. These organizations arrange for housing on a temporary basis ranging from shelter housing and motel vouchers to long-term residential arrangements for substance abuse.

The number of people needing housing is hard to determine since the number of people requesting help is not necessarily an accurate determination of how many actually need it; and each person is unique in his or her housing needs. The Battered Women's Services, which covers the Western Riverside County area, receives from 1,200 to 1,300 calls per month, most of which include a request for some type of housing arrangement that can be for any number of days depending on each specific situation. Their experience is that there is generally not a sufficient amount of short-term housing to meet the demand, especially the motel voucher program that is arranged through the Salvation Army and Catholic Services. There are currently no separate shelter facilities in the City of Norco. Outside of Battered Women Services which operates in privacy out of necessity, the existing facilities seem capable to meet the current needs. The existing facilities in the Corona/Norco area are discussed below.



3.5f. Homeless Housing Needs

Currently there are two locations within the Corona/Norco area for housing the homeless. These centers are the same places that provide temporary housing for emergency domestic situations. They treat all homeless cases on an equal basis, as being temporary; however, there is no limitation on the number of nights that can be spent by any one person at either of the locations. The first location is The National Guard Armory in Corona that is operated in winter months and during inclement weather conditions. The armory homeless shelter is operated by the County, with State funding, and closes just before spring each year. This facility can accommodate up to 100 people and generally has around 70 per night. Residents have shower facilities available and local churches help in providing the meals.

The other facility is operated by the Corona Christian Fellowship through private donations. This facility has a capacity for 32 people and is generally at or near capacity during inclement weather. When weather does not preclude sleeping outdoors, less people request to stay overnight in both of the shelters. A new regional center in the City of Corona is being created from the conversion of a vacant manufacturing building. The center will have both shower and cooking facilities for the homeless, and will sleep up to 30 males, 20 females, and 4 or 5 families. It will be run by a private foundation.

The County of Riverside Department of Community Action (DCA) has estimated the number of homeless individuals in the County on a regional basis. The City of Norco is included in the Corona statistical area which accounts for 5.8% of the total homeless in the County. According to the DCA, the new center being constructed in Corona is sufficiently sized to meet the homeless needs in this area. The City, however, should closely cooperate with the various private and county social agencies to monitor the number of homeless and to assure that there are adequate facilities to meet the demand.

3.5g. Farmworker Housing Needs

State housing law requires housing elements to address groups with special housing needs including migrant farm workers. In the 1990 census approximately 300 people were classified as working in farming, forestry, and fishing occupations. The City does not have an additional breakdown of this number, however, the majority of these are jobs related to animal maintenance professions, of residents who live permanently in Norco. To the City's best knowledge, there are no migrant farmworkers that reside or work in the City. There are no large open agricultural areas in the City that would require this kind of worker to be here, and the outlying areas are primarily dairies which typically hire permanent employees over seasonal help.



3.6 Land Available for Residential Development

One of the requirements in the State General Plan Guidelines to be included in a City's housing element is a discussion of suitable land for residential development including **vacant land**, how much residential development can be anticipated through **redevelopment programs**; and how the City's **zoning and public facilities** effect the developability of these various locations.

3.6a Vacant Land

The City of Norco is nearing buildout conditions in its residentially zoned areas; and currently the City's sphere of influence does not cover much more area than what is within the City limits. The significance being that under the existing political geography, there will not be a significant amount of area in which the City can have future residential growth unless the City boundaries and/or the sphere-of-influence changes. What vacant land does exist falls within two categories, large open tracts of vacant land for development of planned residential neighborhoods, and single vacant parcels within the City's developed residential areas that are still unused.

The only large tracts of land that are still vacant and do not have any proposed developments in process are shown on Exhibit 3.6. Out of four identified areas, two are already within City limits and include one area of approximately 68 acres bounded by River Road and Vine Avenue; and Bluff Street and Corydon Avenue. This is designated RA in the City's Land Use Element which can allow up to two dwelling units per acre. It is anticipated that approximately 80 dwelling units will eventually be constructed here. The other large vacant area within city limits is located in the hills between Norco and Riverside. There are approximately 1,570 acres, that are designated HS (Hillside) in the City's Land Use Element, that correspond to this area. Development in the HS area has a minimum lot size of 20,000 sf and must be designed to reflect the underlying topography, minimizing the amount of grading and terracing. There currently is a golf-residential resort being planned, the first phase of which is the golf course. Future phases will incorporate residential communities, however, the number of units has not been determined. Another proposed development in the southeastern hills, not associated with the golf resort, will consist of 75-80 units on 56 acres. It is anticipated that there will ultimately be around 130-140 units built in the HS area over the next five years. It is not known, however, how many total units can be built in the HS area because of the variation in topography that needs to be considered; and because there is known habitat for the Stephen's Kangaroo Rat, which is an endangered species.

In addition to the areas within City limits, there are two areas outside of the city that are in the City's sphere of influence where residential development could ultimately occur. The first consists of approximately 61 acres on the northeast city boundary just north of Arlington Avenue. Approximately 16 acres of these

have been purchased by the State for inclusion in a wildlife park and will likely not be developed. On the remaining 45 acres there ultimately could be another approximate 50 units developed. The second area is located on the southwest side of the City consisting of approximately 100 acres southwest of Stagecoach Drive, where approximately 120 units may someday be developed.





The other vacant parcels in the City consist of small lots located within the developed neighborhoods (Exhibits 3.7-3.9). Many of these lots are substandard to the underlying zoning as a result of historical land divisions and/or new street alignments creating "leftover" parcels that cannot be developed under current city standards. The Norco Redevelopment Agency has a program (Infill Housing Program) whereby these lots can be developed for low and moderate income families which is discussed in section 3.6b.

In addition to the single-family residential zones, the City's zoning codes allow for the development of multi-unit senior housing projects in all zones, with an approved conditional-use-permit. While senior housing can be developed anywhere in the City, there currently are only two projects, in addition to an existing project, being proposed or anticipated. The first location is the complex described in Section 3.3c next to the City Hall/School District complex on Clark Avenue consisting of 75 units. The other location is in preliminary discussions only and could be located on River Road, southeast of Club Lane on vacant property currently zoned commercial. It is not known, however, how many units might ultimately be located at this location. It is anticipated that the first phase of the Clark Avenue project will be constructed in the next five years, and that both phases will be completed within ten years.



EXHIBIT 3.6 VACANT RESIDENTIAL LAND

LEGEND

-  Non-conforming Lots
-  Non-conforming Lots (See Detail Exhibits 3.7-3.9)
-  Large Tracts in City Limits
-  Large Tracts in the Sphere of Influence

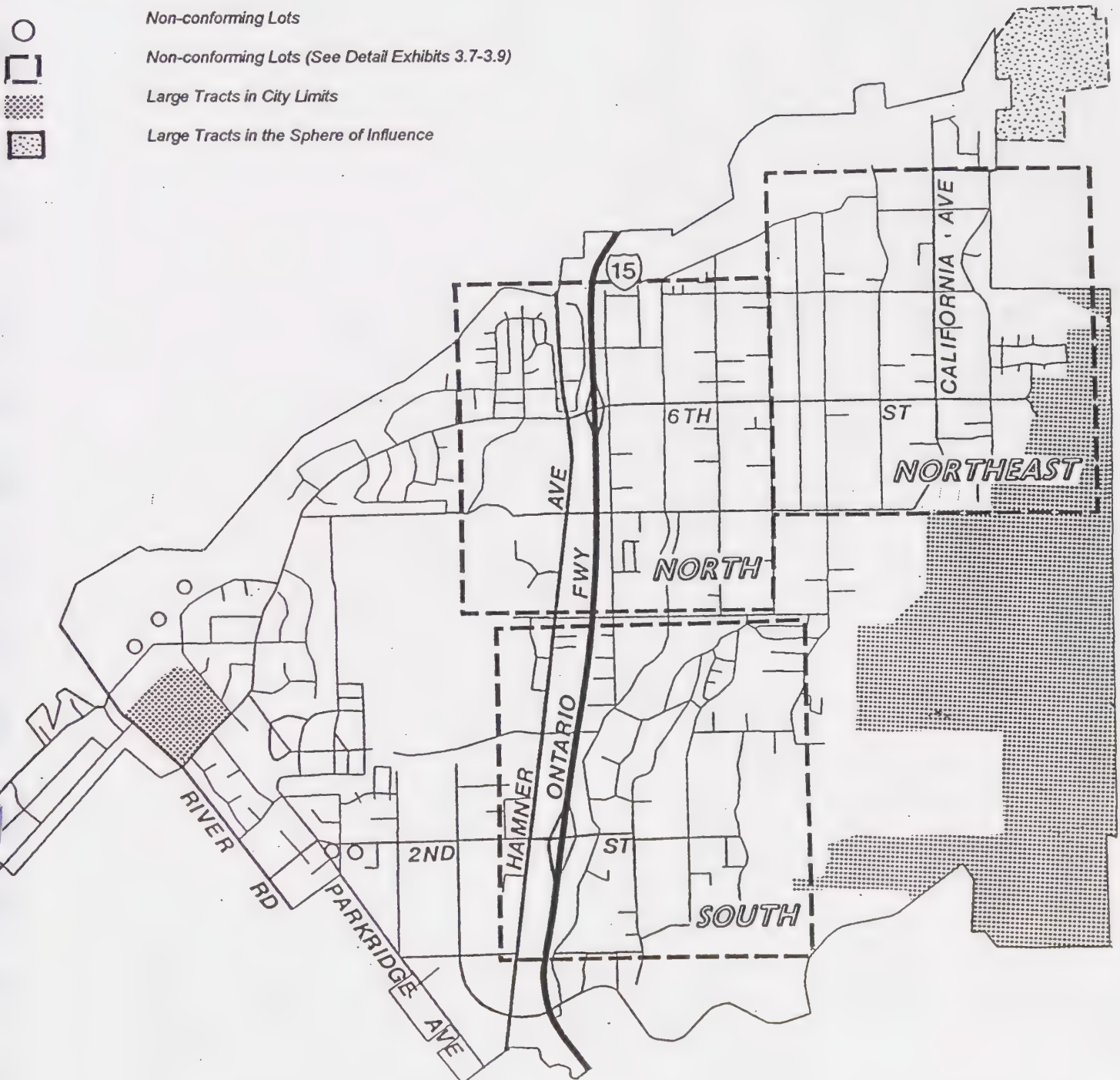
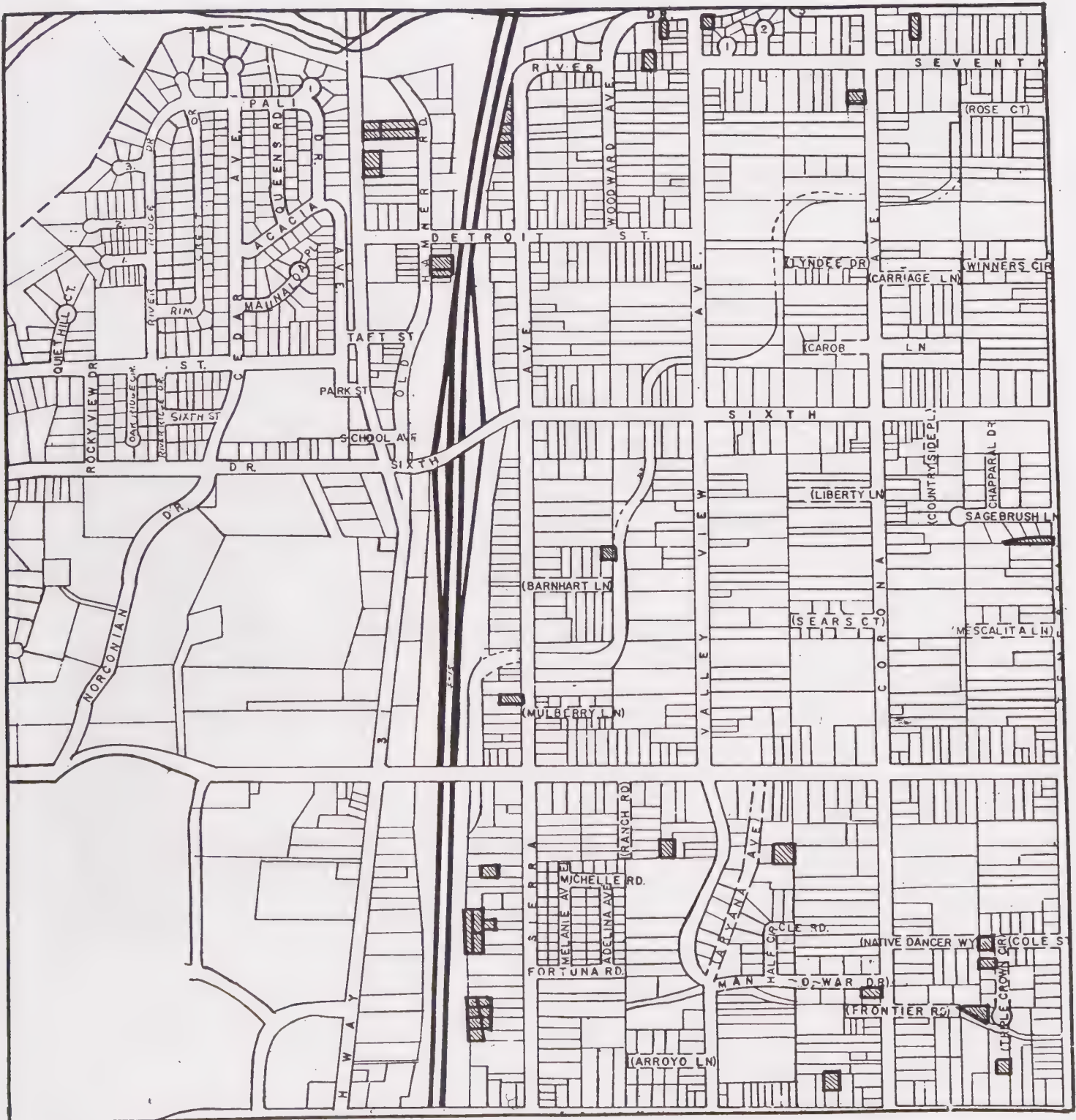


EXHIBIT 3.7

VACANT NON-CONFORMING RESIDENTIAL LOTS

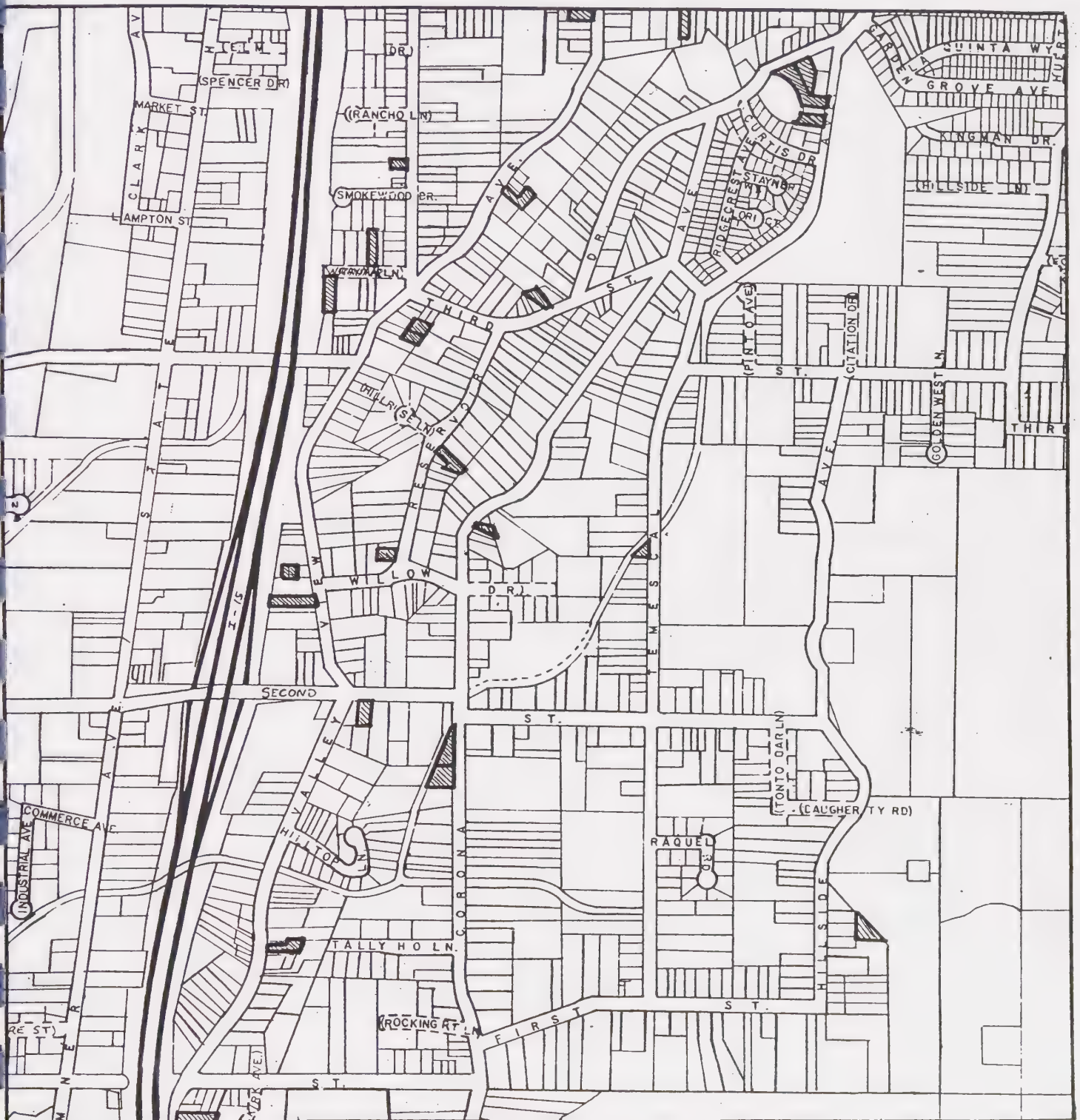
NORTH



Norco

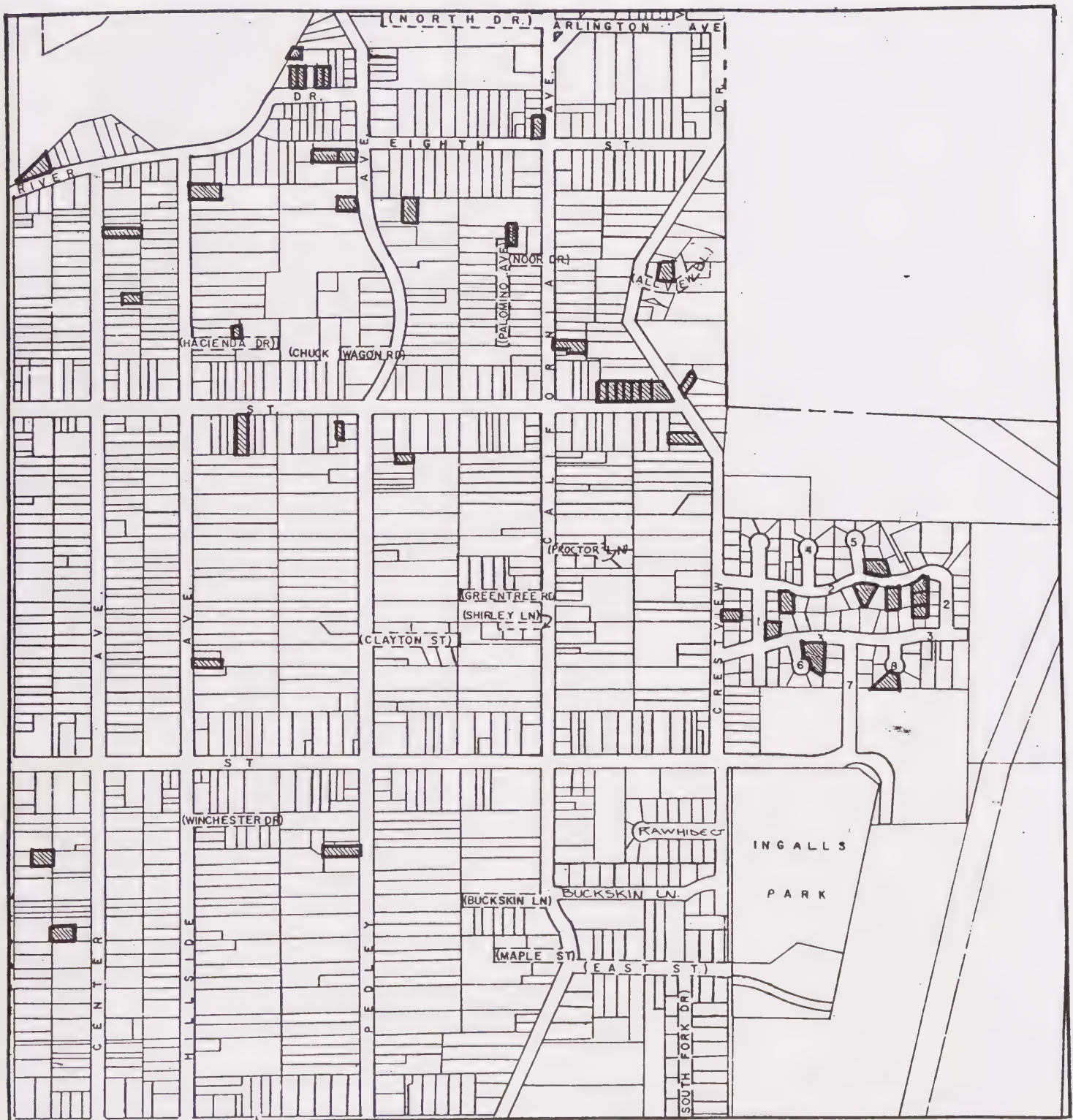
GENERAL PLAN HOUSING ELEMENT

EXHIBIT 3.8 **VACANT NON-CONFORMING RESIDENTIAL LOTS** **SOUTH**



Norco

EXHIBIT 3.9 VACANT NON-CONFORMING RESIDENTIAL LOTS NORTHEAST



Norco

3.6b Redevelopment Housing Locations and Programs

Out of 9,198 total acres in the City of Norco, 4,968 are within the Norco Redevelopment Project Area One and can represent potential opportunities to use redevelopment funding to accomplish some of the City's housing goals. As discussed above, one program, the Infill Housing Program, was designed specifically to utilize existing vacant substandard residential lots within the developed portions of the City, that for one reason or another do not permit development under the City's zoning standards. Building housing to meet the needs of low and moderate income households will qualify a developer for funding assistance on these lots; and will allow development to occur even though the lots are smaller than what would normally be required. In addition, funding can be used to help finance senior housing developments for low and moderate income households; and these can be located anywhere within the redevelopment project area.

In addition to the vacant land available for the construction of new housing, there are additional housing assistance programs through redevelopment funding to maintain existing units and provide additional opportunities to households with special needs. These are described in Sections 3.4d, 3.5a and 3.5b.

3.6c Zoning and Public Facilities

The City's overall goal and direction is the maintenance of a Land Use Element that is conducive to animal-keeping residences for large animals; and the City's Zoning Ordinance reflects this intention. Approximately 65 percent of the total area in the City is zoned for single-family residential development at densities that promote this policy, including the Hillside Areas (Exhibit 3.10). Multi-family residential development for seniors can be developed in these residential zones with a conditional use permit, and also in the commercial and industrial zones which incorporate another 13.4 percent of the City's total area. The remaining area (21.8%) is located in open space areas or other areas not otherwise available for development (See table 3.5).

While, large lots can discourage the development of affordable housing especially for lower income levels, as is discussed in Section 3.6b above, allowances have been made for the development of existing smaller lots so as not to preclude housing development where the lot size would otherwise be appropriate for a single-family unit, were it not for the zoning restrictions. Funding assistance is also available for qualifying low income households so as not to preclude housing opportunities for any income range because of the zoning.



Public services are available to all of the developable areas of the City for both water and sewer. There are a few small isolated spots in the City where sewer service is not currently available, that are either on short private roads or on large tracts of property that are vacant. Any development on the other large vacant parcels would require the developer to extend main lines up to the properties in question; and adequate mainline infrastructure exists in the City to extend the new lines as necessary. On all of the infill lots within developed neighborhoods, existing mainlines are available for both sewer and water connections.

**TABLE 3.5
GENERAL PLAN LAND USE**

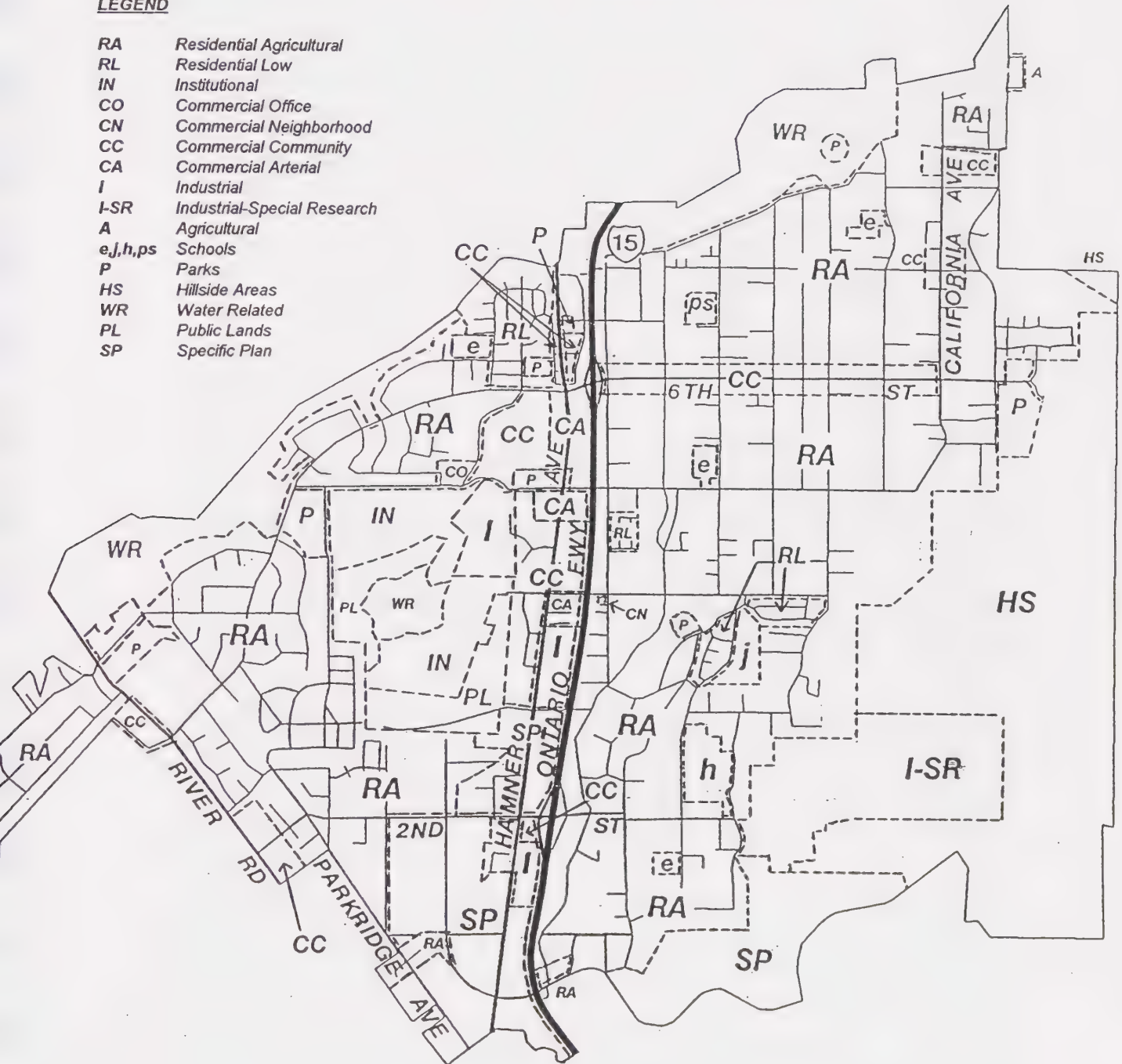
LAND USE DISTRICT		ACREAGE	% OF TOTAL
RA,A	<i>Residential Agricultural, Agricultural</i>	4,227	46
RL	<i>Residential Low</i>	160	1.7
IN	<i>Institutional</i>	345	3.75
CO	<i>Commercial Office</i>	12	<1
CN	<i>Commercial Neighborhood</i>	1	<1
CC	<i>Commercial Community</i>	372	4
CA	<i>Commercial Arterial</i>	53	<1
I	<i>Industrial</i>	120	1.3
I-SR	<i>Industrial-Special Research</i>	362	4
A	<i>Agricultural</i>	6	<1
e,j,h,ps	<i>Schools</i>	114	1.24
P	<i>Parks</i>	381	4
HS	<i>Hillside Areas</i>	1,570	17
SP	<i>Specific Plans (Auto Mall & Gateway)</i>	306	3.3
OS,PL	<i>Open Space, Public Lands, Roads</i>	1,169	12.7
		9,198	100



EXHIBIT 3.10 GENERAL PLAN LAND USE MAP

LEGEND

RA	Residential Agricultural
RL	Residential Low
IN	Institutional
CO	Commercial Office
CN	Commercial Neighborhood
CC	Commercial Community
CA	Commercial Arterial
I	Industrial
I-SR	Industrial-Special Research
A	Agricultural
e,j,h,ps	Schools
P	Parks
HS	Hillside Areas
WR	Water Related
PL	Public Lands
SP	Specific Plan



Norco

4.0 GOVERNMENTAL CONSTRAINTS

4.1 Local Land Use Controls

*The City of Norco has as its stated goal for the city, the preservation of an animal-keeping community which by its nature is a rural land use and can restrict the different types of housing units that can normally be constructed in an urban setting. The intent of the goal is to protect this unique lifestyle from development pressures and land use incompatibility issues that generally come with an increase in land use intensity. It is not the intent of the Housing Element or the City General Plan to preclude any citizen an opportunity to live in the community; and the goals and policies of the Housing Element are designed to work in conjunction with the Land Use Element to achieve an overall housing goal of providing housing opportunities for all citizens at all income levels. The other mechanism the City has for development control is through its **building codes**. These are established to insure a minimum structural safety standard for all new structures and rehabilitations.*

4.1a Land Use

As Table 3.5 in Section 3.6c shows, residential land use designations represent approximately 65% of the total land area in the City. With the exception of the non-conforming lots discussed in Section 3.6a, the majority of these areas have minimal lot sizes no smaller than 10,000 sf and most are a minimum of 20,000 sf. The primary constraint in this situation is the associated land values which can increase the overall cost of housing to levels that are out of the affordability range of low and moderate income households. To compensate for this the Norco Redevelopment Agency has established a number of programs to help 'buy down' these costs through land purchase programs and low interest property improvement loans.

A secondary impact of 'animal-keeping zoning' is the overall amount of land that is needed to accommodate the construction of new housing units. This becomes an issue when the City's housing stock does not reflect the needs of the general population of the region, as broken down based on family income. When this occurs, it is likely that a significant amount of housing growth is necessary in order to achieve an equitable level of available units at all income ranges, and still meet normal market demands. With little land available for the construction of new units it is difficult for Norco to comply with its fair share portion of the region's housing needs as discussed in Section 3.3c. Continued implementation of the City's redevelopment programs will help create housing within the limited areas available.

A change in residential density is clearly inconsistent with the City's overall land use development goals and is not an available option. It is also unlikely that any significant residential areas will be annexed in the next five years. It is therefore a better option for the City to re-evaluate its fair share housing needs, as



determined by SCAG, and set new goals that the City can legitimately work towards in building its housing base to meet the needs of the entire range of household incomes that are currently found in the Norco-Corona area.

4.1b Building Controls

All residential construction must be in compliance with the Uniform Building Code (UBC) standards, as is the case in every California community. These are standards that cannot be reduced by law. The City of Norco does not require any additional building specifications beyond what is required in the UBC, therefore compliance with the City's standards is not any more restrictive than what is required statewide for minimal safety standards.

4.2 Non-local Governmental Land Use Controls

Outside of local land use and building controls, there are other regional, state, and federal legislation that can impact the City's ability to meet its housing goals. Many of the goals and policy statements of the Housing Element are already related to state and regional housing goals to reach a fair share housing distribution throughout the region.

In addition to these, there is other non-local legislation that affects the ability to produce housing. The amount and degree to which state and federal legislation affects housing is too immeasurable to discuss here in detail; however, there are policies directly related to housing production that can be discussed.

As a result of the Federal Clean Air Act, the Environmental Protection Agency has established minimal air quality standards that urban areas are mandated to meet. These are monitored in western Riverside County by the South Coast Air Quality Management District which covers a region consisting of western Riverside and San Bernardino, southern Los Angeles, and Orange Counties. In addition to monitoring, SCAG is also in the process of developing a regional air quality attainment plan focusing on a reduction of vehicle trips within the air basin. The average commute time for Norco residents is 37 minutes compared to an average of 28 minutes for Riverside County. Eighty-one percent of Norco commuters commute alone, while the average for the County is 74%.

When the 1989 Norco Housing Element was written, the South Coast Basin was categorized into "job-rich" and "housing rich" communities, with the intent to establish regional goals that would equalize the distribution of each in every community, and thereby reduce commuting traffic and congestion. The Norco-Corona area was determined to be a "housing-rich/job poor" area with the need to encourage job growth over housing growth. Subsequently, it was discovered that there was little nexus between achieving a jobs/housing balance and reducing commuting distances, and therefore, that policy is no longer emphasized.



There still exists the need for the Air Quality Management District to improve its air quality, but any policies and programs that would directly impact land use development are as yet undetermined. There is an underlying threat from the EPA that local control of land use could be usurped if the region is unable to show attainment of minimal federal standards. However, there is no preceding case of this having occurred; and how, or if it would occur, is not known.

4.3 Site Improvement Costs, Fees, and Exactions

*Associated with the development of new housing are the costs required to expand **public services** (i.e. roads, and, sewer and water lines) including exactions for the mitigation of environmental impacts and **administrative fees** for development implementation within the affected public agencies.*

4.3a Public Service Fees and Costs

Public service costs include all of the fees and connection costs that must be paid before new residences can receive services. These cover the costs of the construction of new city (or agency) facilities and the expansion of services, and range from water and sewer connection fees to school impact fees. For a 1,500 sf home on an already subdivided lot, with a value of \$150,000.00 in 1995, the fees would amount to approximately \$5,500.00 for permit and plan check fees, \$11,000.00 for impact fees, and \$3,000.00 for utility and service connection fees. Most of these fees are established by the respective agencies within the City; while the others are set by other public agencies, such as the school and flood control fees.

In addition to the public service connection fees mentioned above, developers of large residential projects are required to install the water and sewer infrastructure, as well as the street, curb, and trail improvements adjacent to their property. Current average costs for the installation of these improvements are as follows:

<i>sewer:</i>	<i>\$3,000.00 per lot</i>
<i>water:</i>	<i>\$4,000.00 per lot</i>
<i>storm drains:</i>	<i>\$300.00 - \$400.00 per lot</i>
<i>street and curb:</i>	<i>\$1.50 - \$2.00 per square foot</i>
<i>trail:</i>	<i>\$10.00 per linear foot</i>
<i>sidewalk:</i>	<i>\$2.00 per square foot</i>

All of the costs discussed above are project specific and adjust with each new development proposal. Ultimately the fees are established to provide and maintain the public services that citizens of the community have expressed desires to have within the City. A significant reduction of any of the fees would likely result in a reduction of services to the community, and since the fees are



comparable to other cities and communities in the region, there is no basis that they (the fees) would be a detriment to housing development in Norco rather than in adjacent areas.

4.3b Administrative Fees. In 1990 the City updated its fee schedule using a comparison of fees in adjacent cities and a survey of how many hours have been expended on similar projects in the past. The fees, while they do vary from one application type to another, and from city to city, are generally the same throughout the western Riverside County area. Large developments typically involve more than one application type and could include general plan amendments, zone changes, and tentative tract maps along with the associated environmental analysis. The total fee for these applications in Norco is \$9,100.00 (\$9,978.00 with EIR) compared to \$7,300.00 plus an additional per lot fee in the City of Riverside. Assuming a development of 60 lots, the additional Riverside fee total would be \$1,800.00 bringing the total to \$9,100.00. For Chino the total would be \$9,976.00 plus the reimbursement of staff costs for the environmental analysis.

The fees are required because of staff time involved in assuring that projects are in compliance with city and state development codes and regulations, and consistent with policy direction from the City Council and recommendations from the Planning Commission. The fees are based on an average of actual work hours that have been expended in the processing of similar type projects in the past within the various cities. It is unlikely, therefore, that the fees can be effectively reduced while still maintaining necessary project review and customer service requirements. The difference in fees is not significant enough that it would prohibit development in this City for preference of a neighboring city's fees.

4.4 Efforts to Remove Governmental Constraints

4.4a Second Dwelling Units

In July of 1993, the City Council adopted a second unit ordinance that allows for the construction of second housing units as accessory dwellings on lots that are in compliance with the underlying zoning; and upon which the second unit can be built to meet the standard City regulations for that zone. There must first be an occupied primary residence before the secondary unit can be used or constructed. These units cannot be larger than 30% of the floor area of the primary dwelling unit, or 1,200 sf, whichever is smaller; and can only be used as rental units. A secondary unit has to be part of the same structure as the primary unit.

The adoption of the second unit ordinance provides other opportunities for the construction of affordable rental units that are available to a broader range of household incomes. It also allows for households to share the costs of



maintaining large animal-keeping lots, making the City's lifestyle available to as many families as possible by minimizing the restriction that can be created from high land costs.

4.4b Senior Housing

As discussed in Section 3.5b of this document, the City is actively pursuing the development of a senior housing project through its redevelopment agency. In addition to meeting the limited income requirements that many seniors face, this project will allow the seniors to have residential options in the City even though their desire or ability to live and maintain on an animal-keeping lot may have changed.

Furthermore, the City maintains its existing policy of allowing mobile homes, not placed on foundations, as temporary secondary units for related senior citizens. This greatly reduces the cost of providing additional units for this segment of the population.

4.4c Infill Housing

This program is one of the redevelopment programs discussed in Section 3.6 that is designed to allow development of existing substandard lots that otherwise could not be developed because of the minimum lot size requirements. Like the second units discussed above, these units can help to provide housing opportunities for families who might otherwise be restricted from the City because of higher land costs.

4.4d Mobile Home Housing

In addition to senior mobile home housing discussed in Section 4.4b above, since 1982 the City has maintained its policy of allowing mobile homes/modular homes as primary dwelling units in agricultural and residential zones. All such homes must meet the standards of the National Mobile Home Construction and Safety Standards and cannot be any closer than 800 feet to another mobile/modular home. This provides additional opportunities to provide housing affordable to all economic segments of the population.



4.5 Low Income Housing Conversions

State law requires the housing element for each community to address the potential of "at-risk" government assisted housing units that are eligible to revert back to market rate units within the next ten years. These units are considered "at-risk" because of the potential for them to be removed from the City's low-income housing stock. After a subsidy contract expires, or a mortgage is prepaid, or a contract restriction on land use expires, government assisted units are eligible to change to non-low income housing. "Assisted housing developments" for purposes of this section of State Law refers to multi-family rental housing that receives governmental assistance under the following programs:

- ☐ Federal Section 8 HUD Assistance Programs.
- ☐ Federal Community Development Block Programs.
- ☐ State and local multi-family revenue bond programs.
- ☐ Redevelopment programs.
- ☐ Local in-lieu fees or density bonus programs.

There are no multi-family housing developments in the City of Norco that have been built under the above-named programs with the exception of the Heritage Park senior housing development. This project was built under a Disposition and Development Agreement with the City that allowed the developer to build at a higher density than what would have been allowed, on the agreement that the owner would reserve no less than 20% of the units for low and moderate income households. This rental restriction expires in 20 years, and is therefore not a concern with this update of the Housing Element. All other residences that have been assisted through government programs are single-family and therefore do not need to be reported herein.

It should be noted, however, that the single-family homes where the City does help provide financing (i.e. First-time Home buyers, Infill Housing, and Deferred Loan), there is a thirty year restriction on when those units would be permitted to be sold as market rate units. For first-time home buyer projects, units can be sold before the 30 year expiration, however, the loan to the Redevelopment Agency would need to be paid back in full at the time of sale. For Infill Housing projects, the units must be maintained for low and moderate income households for the duration of the 30 year period, even if the unit is sold. In the Deferred Loan program, which is a home improvement loan, the unit must be owner-occupied for 15 years; or, through prior arrangement with the Agency, can be rented out to another low or moderate income family.



4.6 Replacement of Affordable Units

No affordable units were removed during the last five year phase of the Housing Element. A requirement of State Redevelopment Law is that all affordable units removed as a result of development must be replaced with an additional unit in the same affordability range. Since most of the City is within the boundaries of Norco Redevelopment Project Area One, any affordable unit removed will need to be replaced. It is anticipated that there will be no removal of affordable units over the next five years.



5.0 NON-GOVERNMENTAL CONSTRAINTS

*Non-governmental constraints consist of those factors that need to be considered in the construction of housing for which the Housing Element has no control. These are generally those factors which fluctuate on market demands and include **financing, material costs, and site improvement costs.***

5.1 Financing

Availability of financing affects all aspects of the home-buying market from construction loans to mortgage interest rates. For large residential tracts, banks have not generally financed the whole project at once, but will finance small phases at a time. Once a majority of a phase is sold, the bank will release funds for the next phase. This practice is designed to prevent the housing market from becoming saturated with new un-sellable units. As a result, however, the restriction on the housing supply can help keep prices high on existing units, which has the potential of producing affordability problems for lower income households.

Financing for new residential projects is generally arranged in two phases, the construction loan which is a short-term loan to cover material and labor costs until construction is completed, and the end loan which replaces the construction loan with a standard 15 or 30 year mortgage. The current lending situation in California is much tighter than during the 1980's when more lending institutions were involved, issuing more speculative residential development financing. A prolonged recession beginning in the early 1990's has caused some of those institutions to withdraw from the current lending picture. The projects currently being financed within the region are also on a smaller scale. Whereas a typical phase might have consisted of 40-50 homes in the 1980's, financing is now being issued only on phases of 10-15 homes.

Prices on existing units have also fallen as a result of an overall drop in the number of jobs regionally, spurred by aerospace industry cutbacks and the closure or re-alignment of area defense bases. This created additional pressures on lending institutions to restrict financing of new large scale residential developments. The indication now, from phone conversations with the various large banks in this area, is that in 1995, banks are again approving financing packages for more large-scale residential projects. While the activity appears to be increasing over what has been occurring during the past five years, none of the banks have returned, or are expecting to return, to the speculative financing that occurred in the 1980's.

The limitations on new housing starts, created by the recent restrictions on financing, has limited the City's attempts to meet its fair share housing requirements as determined by SCAG (Section 3.3b,c), which provides further



support for re-evaluating whether or not these goals and statistics are realistic for the City of Norco.

5.2 Material, Labor, and Site Improvement Costs

The costs associated with the construction of new homes range anywhere from \$35.00 per square foot and up, for labor and material costs. These are determined in the regional market and therefore not controlled by the City's General Plan policies. Habitat for Humanity (HH) is a non-profit organization that works with prospective low income home owners who provide some of the labor in the construction on their own homes. This effectively reduces construction costs, but the amount of reduction varies from case to case. In specific redevelopment situations, the City can work jointly with HH to produce housing; however, the organization generally works directly with the future homeowner.

In addition to construction, the site improvement costs include those costs associated with the purchase of property. As has been discussed in the Housing Element, one of the issues concerning the development of housing in the City of Norco, especially as it relates to affordable housing for low-income households, is the larger lot size, which is generally assumed to increase the cost of housing. A vacant single family lot (20,000 sf or under) is currently valued between \$30,000.00 and \$40,000.00 (average) depending on the location and condition of the lot. For a comparison, a vacant single family lot in Corona (approx. 7,500 sf) ranges in value from \$35,000.00 for lots in the central part of the city, up to \$50,000.00 for premium lots in desirable areas. The prices based on the latest real estate activity, suggest that the larger minimal lot size in Norco is not a deterrent to the overall cost of housing; and therefore, is not exclusionary in its effect on lower income households. This, combined with the Redevelopment Agency's ongoing programs to produce housing at lower than market costs, means that the City can continue to make progress toward complying with the State Housing Goal, using the City's existing policies and programs.

5.3 Equal Opportunities for Housing

A constraint that can prevent citizens from obtaining housing, especially as it pertains to low-income families, is that lack of knowledge on available programs that can assist them. The City shall insure that information pamphlets are continually available at various sites throughout the community.

An additional constraint could be in the form of discrimination against any particular group or gender of people, which is expressly prohibited by state and federal laws. Because of its size, the City of Norco does not have staff to handle the resolution of housing discrimination complaints. By agreement,



claims of discrimination are handled through the County Fair Housing Council located at 3600 Lime Street, Riverside (909-682-6581).

5.4 Efforts to Minimize Non-Governmental Constraints

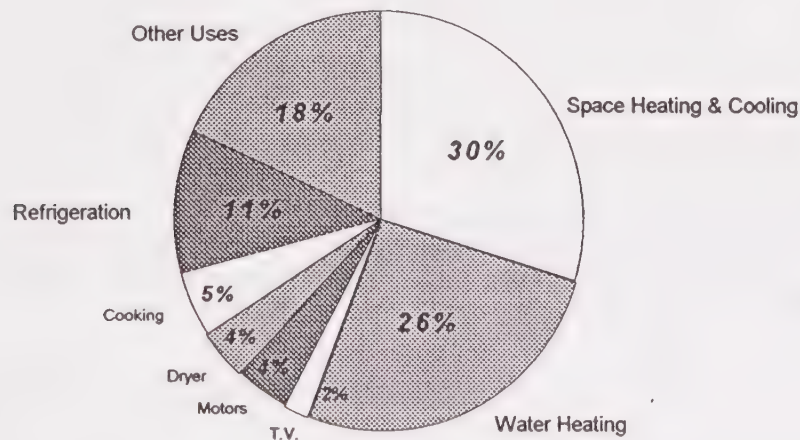
The various redevelopment programs that are currently being used by the City are designed to create additional financing options where traditional financing would normally not be available. The City can also promote the use of manufactured housing, especially in its Infill Housing Program to help overcome some of the costs associated with material and construction for affordable housing units.



6.0 ENERGY CONSERVATION OPPORTUNITIES

The California State Building Standards (Title 24) requires that all new development, including residential development, comply with several energy-saving building standards. These standards include, but are not limited to, ceiling and wall insulation, concrete slab insulation, vapor barriers, weather-stripping on doors and windows, closeable doors on fireplaces, non-continuous burning pilot lights, insulated heating and cooling ducts, water heating insulation blankets, swimming pool covers, and appliances certified to be energy efficient. All new residential construction in the City of Norco is required to be built in accordance with Title 24 standards; and all new construction is inspected during the construction process, to insure that these standards are being complied with appropriately.

The largest expenditure of energy in residential structures is consumed in space heating and cooling (30%). The next largest categories are water heating (26%), refrigeration (11%), cooking (5%), clothes drying (4%), motors (4%), and color T.V. (2%). All other uses combine for 18% of the total amount. Additional energy conservation standards should be applied as appropriate, through efficient levels of insulation, elimination of gaps and holes in building exteriors, consideration of the location and shading of windows, efficient heating and cooling, and increased lighting efficiency.



Through compliance with Title 24 standards, the state has already been able to reduce energy consumption within new homes by up to 70% over homes constructed prior to Title 24. Additional energy conservation measures may not be feasible at this time, given that the amount of conservation that can occur may not be equitable to the cost of implementation. For example, the installation of double-paned windows is an additional measure that can conserve energy resources used in heating and cooling, but may not make much of a difference in a mild climate.




7.0 GOALS AND OBJECTIVES

The goals of this section describe the City's five year action plan designed to implement the Housing Element. The housing goals are the expressions of value and statements of purpose for the City, as they relate to the provision of housing in the City of Norco. The goals are further defined by policies which give direction for decision making, toward the City's ultimate objective. The programs then, prescribe the specific actions that the City will use to implement the policies. Finally, the objectives are the quantified end results that the City hopes to achieve through this process, over the next five year period of this Housing Element Update.

As stated in Section 2.1, state law requires cities to review and update their Housing Elements every five years at a minimum. In this review the City is to evaluate: the appropriateness of the goals and policies toward the attainment of the state housing goal; the effectiveness of the housing element in the attainment of the community's objectives; and the progress that has been made in the implementation of the Housing Element. The goals and policies of the 1989 Housing Element were evaluated (Section 2) and as a result, some of the goals have been modified or eliminated. Those goals that were found to be effective have been "carried forward" and included herein.

Goal 1


To promote the City's rural-residential, animal-keeping lifestyle.

 **Animal-keeping Policy:** Housing programs and subsequent projects and regulations will be evaluated on the basis of maintaining the City's rural atmosphere and protecting and enhancing an animal-keeping lifestyle.

- ☐ Program 1A. All new residential areas shall be zoned with a minimal lot size of .5 acre, excepting multi-unit developments for senior citizens, and as otherwise permitted by special exception from the City Council.
- ☐ Program 1B. All residential lots, with the exception of special redevelopment infill parcels for low and moderate income families, shall have a minimum depth of 200 feet to allow appropriate yard area for the keeping of large animals.

Animal-keeping Objective: To insure that of the 312 units anticipated to be constructed in the next ten years, which may change according to the economy, all will be built suitable to keep large animals.

Responsible Agency: Department of Community Development

 **Public Service Policy:** Insure that the level of public services to residential areas of the City is based upon anticipated population projections and, on protection of the environment.


- Program 1D. All new residential construction will include the necessary infrastructure to provide services concurrent with City standards, including a lateral connection to the City's sewer system for each single lot that is developed with a home.
- Program 1E. Encourage existing housing units now using a septic system to hook up to the City's sewer system, possibly using the Deferred Loan Program to provide the necessary financing for qualified low and medium-low income households.

Public Service Objective: The eventual objective is that all residences in the City be on the City sewer system, and all septic systems be eliminated. There have been approximately 15 homes a year assisted through the Deferred Loan Program which can be used to help low-income households connect into the sewer mainlines.

Responsible Agencies: Engineering Department, Riverside County Health Department.

Goal 2

To provide adequate housing in the City by location, type, price, and tenure, especially for those of low and moderate-income and special needs households.

 **Government Aid Policy:** The City will seek any federal, state, and local funding to help provide and subsidize low-cost housing.

- Program 2A. Most federal housing programs are intended toward the development of multi-unit projects for low and medium-low income households, types of developments which are not consistent with the Norco Land Use Element. The City should continue to seek Community Development Block Grant funds, which can be used on a variety of projects that are consistent with the Land Use Element.
- Program 2B. The City should actively support legislative actions that will continue existing housing grant programs and provide local government with the discretion necessary to serve local housing needs adequately.
- Program 2C. The City should seek United States Department of Housing and Urban Development-(HUD) funds for the development of a multi-unit senior housing project on Redevelopment Agency owned property south of City Hall (also see Program 2F). The first phase of the senior housing project (approximately 40 units) will be built in the next




phase of the housing element (1996-2001). The second phase will be built as the funding becomes available.

- ☐ *Program 2D. The City should find additional sites for the construction of infill housing in accordance with the Redevelopment Agency's Infill Housing Program, using the Agency's set-aside funds and CBDG funds as appropriate.*
- ☐ *Program 2E. The City should seek additional opportunities to assist low and moderate income households through the First Time Home buyer Program, using the Redevelopment Agency's set-aside funds as appropriate.*
- ☐ *Program 2F. The City should investigate the establishment of a special low-interest loan program for home improvements specifically designed for room additions in low-income, large-family households residing in housing that is too small, and where the low income prohibits moving to a larger home.*

Responsible Agency: Redevelopment Agency

Government Aid Objectives: *Since their inception, the Redevelopment Agency has been able to assist approximately three homes per year in the Infill Housing Program, and six homes per year in the First Time Home buyer Program. Given the recent slow down in economic activity, it is likely that the City will not be able to maintain this level of assistance; however, the City should have as an objective the development of five more Infill Homes, and 20 more First Time Home buyer assisted homes over the next five years, and double that amount in 10 years.*

Responsible Agency: Redevelopment Agency

 **Public/Private Partnership Policy:** *The City will encourage public/private sector partnerships and cooperation in developing and implementing solutions to affordable housing.*

- ☐ *Program 2G. The City should continue to work a deal with a private non-profit corporation for the development of a senior housing complex on the south side of the City Hall/School District complex.*
- ☐ *Program 2H. The City should seek additional opportunities to work with Habitat for Humanity, and other private or public agencies, on the development of low income housing units as can be possible, especially through the Infill Housing Program (2D). This program should include as feasible, a streamlined permit processing procedure so as to minimize*


time and expenditure for private sector agencies involved in the production of affordable housing.

Public/Private Partnership Objective: *The development of 75 multi-housing senior units over the next ten years with a first phase of 40 units developed in the next five years using a public/private partnership. The development of one infill housing unit in cooperation with Habitat for Humanity using low income housing funds obtained from the Dayton-Hudson Corporation as part of their low-income housing assistance program in communities where their new stores have been constructed.*

Responsible Agency: Redevelopment Agency

Goal 3

To encourage sound growth in the community by designating suitable sites for residential development.


 **Environmental Policy:** *The City will consider environmental hazards and restraints during the planning of residential projects in environmentally sensitive areas.*

- ☐ Program 3A. *No residential development should be permitted in the City's flood zones.*
- ☐ Program 3B. *Residential development in the hillsides should be designed with the contours of the land so as to minimize the total amount of grading and to limit the amount of permanent grading scars such as retaining walls and manufactured slopes. In addition, project design should incorporate the natural land features such as rock outcrops.*
- ☐ Program 3C. *Residential development along the river bluffs should only be permitted when stability of the soil has been ascertained, and the structures and accesses are located an appropriate distance from the face of the bluff.*
- ☐ Program 3D. *Residential development along the freeway should incorporate appropriate landscape buffers and building setbacks.*
- ☐ Program 3E. *The City should establish criteria for the conversion of any future unutilized motel/commercial buildings into senior housing complexes, taking into consideration concurrent relaxation of residential site improvement standards that may not be possible with the existing development.*



Environmental Objective: The development of 130 homes in the eastern hills, over the next 10 years, incorporating careful detail in the preservation of the hillsides and natural landforms.


Responsible Agency: Department of Community Development

 **Annexation Policy:** Logical annexation of adjacent unincorporated residential areas within the City's sphere of influence will be encouraged when adequate service and proper land use plans have been developed.


- ☐ Program 3E. Residential annexations should only be processed when plans for development or use of property are submitted as part of the annexation application package.

Annexation Objective: No annexations will be pursued by the City, except when approached by potential land developers with expressed interest in the pursuit of annexation for purposes of development.

Responsible Agency: Department of Community Development

 **Services and Utilities Policy:** The City will encourage residential infill within existing neighborhoods to better utilize existing services and utilities and to reduce infrastructure development costs.


* (See Program 2D, Infill Housing Program)

 **RHNA Policy:** The City will monitor its compliance with the 1989 Regional Housing Needs Assessment (RHNA) and participate with the Southern California Association of Governments (SCAG) in future projections of housing needs for the community.

- * Compliance with the programs (Programs 2D, 2E, 2F) of this update of the Housing Element will bring the City into compliance with its fair share of the housing supply as explained in Section 3.3c.

Goal 4

To improve and conserve existing residential neighborhoods.

 **Preservation Policy:** The City will seek methods of preserving and enhancing existing neighborhoods within the City through capital improvement planning and redevelopment programs.

- ☐ Program 4A. The City should insure that all eligible citizens are aware of the Redevelopment Agency's Deferred Loan Program designed to assist




low and moderate income families to finance needed home improvements with low interest rate loans.

- *Program 4B. The City should identify capital improvements city-wide, including maintenance and improvement of streets and trails, to preserve or enhance a positive identity for each of the City's neighborhoods.*

Preservation Objective: *The assisted improvement of five low/moderate income households per year (on average) through the Deferred Loan Program over the next 10 years.*

Responsible Agencies: Redevelopment Agency, Engineering Department

 **Code Compliance Policy:** *The City will continue to pursue enforcement of the housing code, and the nuisance abatement program.*

- *Program 4C. The City should aggressively pursue the abatement of code violations and insure that households that qualify for assistance are aware of the Redevelopment Agency's Code Compliance Program. This can be used to fund improvements where personal financing may be beyond the capacity of the household in violation.*

Code Compliance Objective: *The abatement of 125 to 150 backlogged code violations per year in addition to quick resolution of new cases as they are submitted.*

Responsible Agency: Department of Community Development

Goal 5

To provide for a decent home and satisfying environment for all residents regardless of age, race, sex, marital status, ethnic background, income, or other arbitrary factors.

 **Equal Housing Policy:** *The City will promote equal housing opportunities.*


- *Program 5A. The City should promote assistance in home repairs to senior citizens using the Redevelopment Agency Senior Home Repair Program.*
- *Program 5B. The City shall promote housing assistance opportunities through the Housing Accessibility Program, for low and moderate income households with special housing needs as a result of one or more members within that household being handicapped and needing specific household aids.*

- Program 5C. The City should investigate the feasibility of establishing low-income rental assistance programs, especially as they can be applied to female-headed and overcrowded households, to compliment the mortgage assistance programs currently being used by the Redevelopment Agency.

* (See also Programs 2C, 2D, and 2E).

Equal Housing Objective: Provide assistance to approximately 15 homes a year through the Senior Home Repair and the Housing Accessibility Programs.

Responsible Agency: Redevelopment Agency

 **Conservation Policy:** The City will establish measures to conserve existing units, including maintaining the affordable housing stock within an affordability range for low and moderate income households, as is possible.

- Program 5D. The City should keep an inventory of affordable housing units and promote, through its Redevelopment Agency, the use of additional affordable housing assistance programs, as appropriate, for existing homes with the potential to convert to non low-income status.

* (See also Programs 4C, 5A, and 5B).

Conservation Objective: State redevelopment law requires cities to track multi-family developments that have been assisted with redevelopment funds, so as to know when they would be eligible to convert to non low-income units. The same is not required of single-family homes that have been assisted; however, because all of the assistance in Norco has been for single family homes, it would be beneficial for the City to track these units. There are no affordable housing units that have been assisted through redevelopment programs that will be eligible to convert to non low-income status in the five year time frame of this housing element update.

7.1 Funding for Housing Programs

The City has two sources of funding for its housing assistance programs, CDBG funds and redevelopment funds. The CDBG funds have been \$105,000.00 and \$175,000.00 the last two years, and have been fully committed toward the Infill Housing Program. The actual amount of future CDBG funds that will be available is not known.

The primary source of funding for the City's housing programs has in recent years come from redevelopment set-aside funds, which equal 20% of all of the funds administered by the Norco Redevelopment Agency. The production of housing, and housing assistance, that has been occurring during the current



phase of the Housing Element (the past five years) has been facilitated from the use of accumulated unexpended funds from previous years. Inasmuch as these accumulated funds are being depleted, the same level of production will not be possible into the foreseeable future. Into the next phase of the Housing Element, all of the annual redevelopment housing funds are pre-committed to the retirement of outstanding debt obligations.

The table below shows the remaining anticipated housing funds through 1999. Funding for the years beyond 1999 have not yet been projected. The total housing funds are distributed through two accounts. The first account is a loan fund. The second account can only be used for grants. As can be seen, the loan fund will not have a working balance for the next four years without more bonds being issued; this being primarily the result of the pre-commitment of redevelopment funds to debt retirement. The grant fund will have more money to work with that can go toward the development of affordable housing, and the improvement of existing affordable units.



TABLE 7.1 PROJECT HOUSING FUNDS

FISCAL YEAR 1996-1997

Beginning Balance FUND 15 (Loans)	\$291,304.00	
Deferred Loan Program Expenditure		(\$100,000.00)
First-Time Homebuyer Program Expenditure		(\$191,304.00)
Ending Balance FUND 15	-0-	
Beginning Balance FUND 08 (Grants)	\$1,032,540.00	
Code Enforcement Program Expenditure		(\$5,000.00)
Housing Accessibility Program Expenditure		(\$3,000.00)
Infill Housing Program Expenditure		(\$200,000.00)
Senior Home Repair Program Expenditure		(\$30,000.00)
Sewer Program II Program Expenditure		(\$30,000.00)
Ending Balance FUND 08	\$764,540.00	

FISCAL YEAR 1997-1998

Beginning Balance FUND 15 (Loans)	-0-	
Ending Balance FUND 15	-0-	
Beginning Balance FUND 08 (Grants)	\$764,540.00	
Code Enforcement Program Expenditure		(\$5,000.00)
Housing Accessibility Program Expenditure		(\$3,000.00)
Infill Housing Program Expenditure		(\$200,000.00)
Senior Home Repair Program Expenditure		(\$30,000.00)
Sewer Program II Program Expenditure		(\$30,000.00)
Ending Balance FUND 08	\$496,540.00	

FISCAL YEAR 1998-1999

Beginning Balance FUND 15 (Loans)	-0-	
Ending Balance FUND 15	-0-	
Beginning Balance FUND 08 (Grants)	\$496,540.00	
Code Enforcement Program Expenditure		(\$5,000.00)
Housing Accessibility Program Expenditure		(\$3,000.00)
Infill Housing Program Expenditure		(\$200,000.00)
Senior Home Repair Program Expenditure		(\$30,000.00)
Sewer Program II Program Expenditure		(\$30,000.00)
Ending Balance FUND 08	\$228,540.00	



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